The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Complete Report on Most Bizarre Incident in Diplomatic Annals

ARTICLES IN THIS ISSUE

Kuramoto Episode---Most Bizarre Incident in Recent Diplomatic History

Exterritorial Rights and the Responsibilities Involved

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Japan Despairs of the 1935 Naval Conference

(By the Review's Tokyo Correspondent)

A Budgetary Deficit of $103,000,000! . . By Paul K. Whang

Some Recent Changes in the Status of the International Settlement . . . . By William W. Lockwood, Jr.

SATURDAY, JUNE 23, 1934 VOLUME 69, NUMBER 4

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The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立參之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 69 | Shanghai, China, Saturday, June 23, 1934 | Number 4

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

EXTERRITORIAL RIGHTS AND THE RESPONSIBILITIES INVOLVED

SOMETIME ago *The Review* referred editorially to the case of a Shanghai magazine edited by a foreigner which had been conducting for several months a more or less subtle campaign in favor of the recognition of Manchukuo not only by the other nations of the world, but also by China. In connection with this campaign the magazine also published numerous articles laudatory of the puppet Manchu "boy-emperor" Pu Yi who was made head of Manchukuo by the Japanese Kwantung army. In calling attention to this case it was pointed out that since the Chinese Government had forbidden its own citizens to have any contact, officially or otherwise with the puppet state, that the action of the foreign editor constituted a technical, or at least moral violation of the principles of exterritoriality. In other words, if the Chinese authorities were opposed to the recognition of Manchukuo and had forbidden its citizens to have any contact with the puppet state and had passed regulations with severe penalties covering violations, then it was highly improper for a foreigner enjoying exterritorial rights in a foreign concession to do what a Chinese in similar circumstances would be punished for doing. The *People's Tribune*, a widely-circulated Chinese edited magazine in the English language, in its issue of May 16, also commented on this point and declared that a foreigner enjoying exterritorial privileges "also owed exterritorial duties," and stated further that the issue involved had no possible connection with the principles of press freedom, which, in all probability would be raised in the event proceedings were instituted against the offending journal. To consider the matter from another angle it doesn't require much imagination to picture what would happen to a foreigner residing in Japan who would advocate the withdrawal of Japanese troops from Manchukuo and the restoration of Chinese administration in the Chinese territories which are now occupied by the Imperial Japanese Army. The foreigner would be escorted to the nearest steamship jetty and told to leave the country immediately. But in China, which country does not enjoy full sovereignty, the conditions are different; hence

foreigners, or at least some of them, persist in doing things which never were intended when the exterritorial treaties were signed. As a result of this situation, this abuse of exterritorial privileges by foreigners who persist in doing things which they would not do if they were subject to Chinese laws, the whole special position of foreigners residing in this country has been discredited. In recent years as the Chinese have begun to recover their sovereign rights, there has been a tendency to go to extremes in the matter of censorship of publications and press correspondence. One potent reason for this tendency has been, as stated in the foregoing, the abuse by some foreigners of their exterritorial privileges and worse, the abuse of universally recognized rules of good conduct and gentlemanly behavior.

WHAT NANKING IS LIKELY TO DO ON THE JAPANESE ISSUE

THE Chinese government wants to preserve peace in order that its reconstruction and unification programs can be carried out, but in the event Japan goes too far and China is pushed into a corner, there will be further and more serious complications likely to result disastrously for both China and Japan. This in a sense represents present Chinese policy as voiced by various spokesmen in recent days—since the conclusion of the so-called Kuramoto incident, Japan's most recent attempt to force further concessions leading gradually toward the establishment of Japan's control over China's domestic politics and foreign relations.

Japan's attempt to make political capital of the Kuromto incident was regarded as nothing more nor less than normal Japanese military policy which has been invoked against this country without cessation since Japan's seizure of the Manchurian provinces in the fall of 1931. That the Kuramoto incident turned out to be gigantic diplomatic blunder causing Japan to appear ridiculors before the eyes of the world, probably will not cause any material change in Japanese policy. Hence, the universal question: What will Japan do next and what will be China's reactions?

A spokesman of the National Government in discussing this question declared frankly that it was as difficult to say in advance what China would do as it was to forecast where Japan would strike next. He also said that China's reactions to the present Japanese menace did not, in the circumstances, greatly differ from the reactions of the other nations of the world, including United States, Britain and Russia. The United States has exchanged conciliatory notes with Japan, has attempted to eliminate as far as it was possible, without the sacrifice of fundamental principles, all points of difference between the two countries. But while the conciliation effort was continuing, the United Stated on the other hand was steadily building up its defences against the growing menace of Japanese militarism. Great Britain is following a somewhat similar process: While attempting to adjust the serious trade controversy by peaceful means, the British government was also rushing through to completion the work on the Singapore Base. As for the Soviets, more directly affected by Japan's military expansion than any other nation, excepting China, they also were not taking any chances. They have fortified their Siberian border to such an extent that even the most maddened of Tokyo's militarists would not now consider seriously an adventure in the Russian domain. But while this is going on, the Russians are not refusing to talk to the Japanese in friendly fashion about incidents on the border, the sale of the Chinese Eastern Railway and the long-existing fishery dispute.

But China's position differs materially from that of America, Britain or Russia, because China is not in a position to defend herself. However, there are even points of similarity here, for while America, Britain and Russia are obviously more powerful than Japan, they also are not at the present time individually or collectively in a position to take effective action against Japan. The time probably will come, sooner than the Japanese expect, when the other nations will be in a position to take united action, but in the meantime they probably will follow their present policies of conciliation while side-stepping a direct clash that might lead to war. But China, being faced with a condition rather than a theory, must do the best she can in the circumstances. With four of her provinces already over-run by the Japanese army, she is trying to prevent a further extension of the Japanese occupation while taking steps to strengthen herself for the ultimate conflict which now appears inevitable. In this connection each side has a full realization of the other's position. The Japanese know what China is trying to do and are trying to block a consummation of the Chinese plan. The Chinese also are fully aware of the ambitious Japanese program and are trying to avoid a conflict which might be disastrous to the country.

The present Chinese reconstruction and development program obviously cannot be stifled or side-tracked merely because it does not meet with the wishes of Japan. This program of development which extends into practically all phases of Chinese life constitutes an expression of the mass-consciousness of the people. If unrestricted for a period of ten years it will result in the modernization of the country and will contribute materially to the prosperity and well-being of the entire world. Japan, because of her geographical location is in a better position to benefit from the reconstruction of China than is the case of any other nation, but in the event Japan continues her present military program it can have no other result than disaster for both nations. There is no reason why Japan or any other nation should fear the development of China or the carrying out of the present reconstruction program which is as fundamental and as inevitable as was the similar development of Japan a decade or so ago. The movements toward modernity

which are stirring the Chinese people today are not peculiar; they are similar to what has happened in other nations at other times. Therefore any attempt by an outside force to stifle or circumscribe these developments cannot be effective and in the long run is likely to react unfavorably upon the nation or interest attempting such action. It constitutes a futile attempt to turn back the clock.

But since Japan is now ruled by reactionary military elements which learned nothing from the lessons of the world war, and since nothing can stop or divert the present Chinese development program, it is inevitable that there will be further crises in the relations of the two nations. And since Japan is now the stronger from the standpoint of military power, she probably will win some further temporary advantages. But gains by military force must be held by military force and that means a further strain on Japan's already bankrupt treasury. Also it means more animosities on the part of the Chinese toward Japan and more suspicion on the part of the rest of the world regarding Japan's real objectives, thus hastening the final accounting. It is most obvious that China is not yet in a position to make effective military resistence, hence must compromise and procrastinate while she is building up her national strength. The other nations directly involved are following a quite similar policy, hence there are no mysteries or secrets in the present drift of affairs. When Japan took her first step in definace of world opinion years three ago she set in motion certain forces both in the Orient and Occident which are bound to react disastrously upon her national welfare. This is the certain element in a situation which often appears confused and difficult of understanding, but actually is quite simple when the fundamentals are kept in mind.

ANNIVERSARY OF THE CENTRAL MILITARY ACADEMY

THE Chinese National Government devoted three days of last week to the celebration of the tenth anniversary of the Central Military Academy, now located in Nanking. This institution, originally known as the Whampoa Academy, was established in Canton through the efforts of the late Dr. Sun Yat-sen. Originally most of the instructors were Soviet Russians, but now the job is being performed by Germans most of whom are veterans of the World War. But while the technical instruction work is performed by foreigners, the inspiration and driving force is 100 percent Chinese. At the grand review which was held on June 16 in the presence of practically all officials of the Central Government and Kuomintang, practically 12,000 cadets marched past the reviewing stand. In addition to the infantry units there were cavalry detachments, machine and mountain-gun, artillery and tank units while more than a dozen war planes of various types did stunts overhead in formation and individually. The airplanes were from the Central Aviation School at Hangchow and all were manned by Chinese pilots who, a few months ago knew very little indeed about the highly specialized job of manipulating an airplane. Some of the stunts performed by these young men were comparable to those performed by Major Jimmy Doolittle which made Shanghai residents gasp a short time ago. The fact that the Nanking military review was performed only a few days following Japan's abortive ultimatum over the ridiculous Kuramoto affair, gave the show an added significance. Indeed Nanking was feeling greatly relieved for had Kuramoto not turned up when he did, there is no telling what the Japanese might have done. They had at least a half dozen warships either anchored along the Nanking waterfront, or enroute to that point and it was generally known that Japan intended to land forces and seize various strategic points in the National Capital, including the Central Kuomintang headquarters. But Kuramoto came back to life after his six-day "boy-scout" stunt on Purple Mountain and in consequence the Japanese rear-admirals and their flotilla slunk away to other points.

As a result Nanking stock went up and along with it the spirits of Nanking officialdom from Premier Wang Ching-wei and Chiang Kai-shek downward. The spokesman of the Tokyo Foreign Office threatened with dire punishment any Chinese resident of the Imperial Empire who might have laughed at Japan's embarassment, but it is no exaggeration to say that every man, woman and child of Nanking's considerable population laughed and has continued to laugh most heartily and uproarishly since. Therefore the grand military review incidental to the celebration of the anniversary of the central military academy took on an added significance. It seemed that the cadets put their feet down just a little harder and a bit more enthusiastically as they marched past the reviewing pavilion whereon stood Gen. Chiang Kai-shek and other high officials of the army, government and Kuomintang. There was no indication here that China intends to become a colony of Japan voluntarily. While some Chinese officials for reasons of expediency or other unstated objectives may favor compromise with the Japanese agressors there was no evidence of this spirit among the young cadets of the Central Military Academy who apparently realize the seriousness of the job for which they are preparing. Another element observable in the Nanking show was the growing military character of the government. While Nanking has many palatial buildings where civilian officials function, the activities of the government more and more revolve about the new military establishment which China is building up. The Japanese have themselves chiefly to thank for this situation for it has been the example of militarist Japan, plus Japanese aggression, which has been chiefly responsible for China's decision to arm and sacrifice about everything else to the military branch. Japan recently announced her intention of assuming responsibility for China's domestic and external political affairs, but while

China may use soft words in her diplomatic replies, the other and more significant developments taking place in China indicate that it will require much more than unofficial statements of Tokyo Foreign Office spokesmen to make Imperial Japan's policy effective.

PERMANENT LEASEHOLD QUESTION AGAIN TO THE FORE IN JAPAN

DIRECT action by the Kobe Municipality has again very much brought to the fore the question of perpetual foreign leaseholds in Japan. One of the conditions upon which the foreign governments, and in this particular case it means mostly Great Britain, consented to forego extraterritorial rights in Japan, was that foreigners who owned land (permanent leases) in Japan were to be allowed to hold their land in perpetuity exempt from municipal taxation. An imperial ordinance promulgated at Tokyo June 14 provided for the transfer of leasehold rights between foreigners of all nationalities, as well as between foreign title-holders and Japanese. Formerly, Chinese, Germans and Japanese had been barred from obtaining such rights. By permitting the purchase of such rights by Japanese, the Japanese government evidently is attempting to cause its nationals to acquire as many of those rights as possible and then gradually to expropriate them under terms of laws which are applicable only to Japanese. The process, doubtless, will be tedious, officials of the Japanese Ministry of Home Affairs have indicated but it was held that this method is the "most practical." The *North China Daily News*, June 14, devoted a long editorial to a discussion of this question, which has become live news owing to the fact that the Kobe Municipality recently attached part of the property of the *Japan Chronicle*, because the latter has persistently refused to pay taxes levied by the Kobe municipality and has consistently advised other foreign leaseholders also to refuse to pay them. Some of the points brought out in the *N. C. D. N.* editorial were:

> The test to be applied in the matter is the ultimate destination of the revenue derived from this additional income tax, and as it is obviously to be used for municipal purposes it comes within those additional imposts which are expressly excluded by the Treaty. The Japanese lived up to their engagement under the Treaty most loyally, though of late years there has been a very apparent feeling that they paid too much for the purpose of securing jurisdiction over foreign nationals. Japanese subjects have gradually acquired, by means of purchase, by far the greater proportion of the former foreign concessions, and being Japanese they have to pay those taxes from which the foreign owner would have been exempted. It is but natural that they should irk under such a system and there might be very just reason why the Japanese should seek to obtain a variation of terms which could not obtain much support in equity in these days. It is easy to understand why the *Chronicle* should become involved in the dispute. It has earnestly set itself against the new taxation, because of its municipal complexion in the first case, but also because it considers that at any rate so far as Kobe is concerned the Settlement has not been maintained by the Japanese authorities in the manner it was expected it would be. The matter has been the subject of protracted negotiation without any appreciable result having been obtained. Nevertheless it is regrettable that the Kobe municipality should have taken matters into its own hands, especially where the question concerned is one which can only be settled by diplomatic action, which must be considerably embarrassed by such steps as are now reported to have been taken.

The experience of Japan in this matter of permanent leaseholds will doubtless be kept in mind by China when it finally disposes of the extraterritoriality questions, particularly with the four principal powers concerned, namely the United States, Britain, Japan and France. Japan simply made the mistake of consenting to a provision, the ultimate effects of which were not visualized by the Japanese diplomats of those early years. Let us imagine for example that such a situation existed in Shanghai. It would mean that the Sassoons, the Hardoons, the Hongkong & Shanghai Bank, and the many other old vested interests here, would not have to pay any Municipal taxes.

Exemption from taxation as a political weapon has, it is to be remembered, been used at various times by many governments, among them the United States. In the days of the Czar when Imperial Russia descended upon Manchuria and formed the Harbin Municipality, America entered a protest. America was not prepared to back up the protest with force at that time any more than it is now prepared to do so in connection with the Japanese action in Manchuria. America did, however, use a weapon it had ready to hand. The American Government refused to allow the Harbin Municipality to collect any taxes from American residents there, and enforced its policy on this point by threatening to refuse to recognize and withdrawing protection from Americans who did pay such taxes.

Political Murder in Poland---German Ambassador to Moscow Resigns

European politics during the week have become even more tense than they have been for some time past. Bronislas Pieracki, the Polish Minister of Interior, was assassinated June 16, the motive evidently being political. No trace of the murderer has been found.

Herr Nadolny, the German Ambassador to Moscow, formerly head of the Reich delegation to the Disarmament Conferance, suddenly resigned June 16, evidently because of difference of opinion between him and the Foreign Office on the question of the Baltic pact suggested some time ago by the Soviets and rejected by the Reich. Dr. Luther, German Ambassador at Washington, it was stated, was also on the point of resigning.

The meeting of Herr Hitler, German dictator, and Signor Mussolini, Italian dictator, at Venice, last week, was an historical event, the significance of which is particularly felt in France. Hitler and Mussolini reached an important diplomatic agreement regarding Austria. The agreement is based on four points, firstly, an agreement of general character including frequent personal contacts and correspondence between the two statesmen; secondly, recognition of the independence of Austria but without guarantee by either party, although Germany will not give countenance to terrorist activities; thirdly, expressions of Germany's willingness to return to the League of Nations provided her full rights to parity of armaments are recognized; and fourthly, identity of views on an understanding for stimulating trade in the Danubian countries. With regard to Austria, the basis of the agreement is a concession made by Germany in deference to Italy's wishes, in return for "quid pro quo" regarding the League of Nations and armaments.

Kuramoto Episode---Most Bizarre Incident in Recent Diplomatic History

JAPANESE officialdom expressed one characteristic complaint against the Nanking police officials in their conduct in connection with the handling of the Kuramoto case, namely that there was too much delay in handing the missing Vice-Consul back to the Japanese authorities. Incidentally it may be mentioned that Kuramoto demurred considerably to being handed over to his own authorities by the Chinese Police. Japanese officialdom was up against the same thing with this Nanking episode as it was in the case of the Shanghai Incident something over two years ago. It was a difficulty that they do not encounter in their operations in Manchuria. The Nanking police treated the exhausted Kuramoto kindly and regaled him with food and drink during the several hours following his original discovery in the hills sound asleep. But at the same time they got from him what is probably a truthful—but may be only a partial—account of his adventure—a story which has made the Japanese diplomats look foolish in the eyes of the world. That is an offense which they cannot forgive; they cannot pardon either the Chinese police, or Kuramoto himself. If the Chinese officials had shown a proper deference for Japanese prestige they would have handed over Kuramoto direct to the Japanese authorities before he had an opportunity to open his mouth. Then everything would have been lovely. The Japanese authorities would have been able to get in their account of the adventure and broadcast it to the world first—what it would have been wouldn't have mattered much, so long as it could be made to serve their purpose. That is the kind of thing they have been able to get away with in Manchuria, where the facilities for getting the inside story of current events is practically a Japanese monopoly. That is not the case either in Nanking or in Shanghai, and one of the results has been that the Japanese chauvinists could not to use the Kuramoto incident as a club, to enforce demands on China, because it proved in the end to be not a club, but a boomerang.

Courtesy of The China Press

The picture above shows the region around the Ming Tombs near Nanking, where Eimei Kuramoto, Japanese Vice Consul at Nanking, was found after being missing for five days. Mr. Kuramoto is shown in the inset.

The *Japanese Military Information Service* at Tientsin June 12 set out the following reasons why it believed that Mr. Kuramoto had been kidnapped for political reasons, and could not have committed suicide:

1. He asked one of the Japanese policemen accompanying Mr. Ariyoshi, the Japanese Minister, to buy something for him at Shanghai and bring it back to him at Nanking.

2. No letter has been discovered stating that he intended to commit suicide.

3. A new suit of foreign clothes ordered by him arrived at his house the day before he disappeared.

4. He was followed by a Chinese for about one week before he disappeared, who it is believed was a Chinese detective.

5. The place where he is believed to have been kidnapped was well guarded that night, and it was impossible for him to have disappeared from that neighborhood unless it was a pre-arranged plan.

In connection with the last point mentioned by the Tientsin service, that Kuramoto could not have disappeared unless it was a prearranged plan, it is interesting to recall that rumors current following the discovery of Kuramoto had it that there was a prearranged plan, a Japanese one, that miscarried.

The entrance to Japanese Vice-Consul Eime Kuramoto's "cave" on the side of purple mountain. It was here that the Japanese diplomatic official concealed himself while his home government was ultimatuming China.

The *North China Daily News* in discussing the incident editorially said:

"It would seem that the Japanese authorities are not yet prepared to accept the version which apparently comes from Chinese sources. That is not to say, of course, that it is either untrue or inaccurate, but room is still left for the appearance of another version of the matter when Mr. Kuramoto shall have sufficiently recovered from the excited state of mind which it is admitted on all sides he appeared to be in when found and handed over by the Chinese authorities. On the face of it, there are some peculiarities about his story which still need elucidation. His reported statements suggest that he had made up his mind to die. We found he bore all the signs of neglect for some days, and there appears to be little doubt that if it had not been for the information given to the police by a Chinese peasant he might not have been found until perhaps that death for which he is alleged to have said he was seeking had supervened."

On the left is Wei Tsung-chin, happy Chinese laborer, who was one of the three Chinese workmen in the Sun Yat-sen memorial park who discovered the missing Japanese Vice-Consul and thus deflated an "incident", which the Japanese had exaggerated into major proportions with ulterior motives in mind.

A communique of the Japanese Consulate General issued at Nanking June 14 said that Mr. Kuramoto walked out of the Japanese Consulate-General in the night of June 8, "while temporarily mentally deranged." The communique said Kuramoto's statements were hard to place together in logical sequence on account of the fatigue and excitement he had undergone. "After his return home he has been resting but he still is in an acutely nervous condition. His thoughts lack coherence and he has fits occasionally. While a definite diagnosis is impossible at present, he appears to the suffering from acute nervous prostration. He needs rest and must be shielded from all excitement temporarily," the communique stated.

Three peasants, Chang Yen-ting, Ho Chen-lin and Wei Tsung-chin, are to receive $5,000 of the reward from the Nanking authorities for supplying information leading to the locating of the missing vice-consul. Of the remaining $5,000 of the total $10,000 reward being paid by the Nanking government, $3,000 will go to the metropolitan police and $2,000 to the Nanking

gendarmerie. The payment will be made following the approval of the Executive Yuan. An unusual exodus of visitors from Nanking through the Chung Shan Gate to the Purple Hill region where the missing Japanese vice-consul was found was to be witnessed for several days following the discovery. Among the visitors were many Newsreel cameramen, and Chinese and foreign journalists.

The gratitude of the Japanese Government was officially conveyed June 14 to President Wang Ching-wei, concurrently Minister for Foreign Affairs, by Y. Suma, First Secretary of the Japanese Legation and Consul-General at Nanking, for finding Mr. Kuramoto. Mr. Suma accompanied by Mr. Arino, the Second Secretary of the Japanese Legation, called at Mr. Wang's official residence and expressed to Minister Wang the sentiment that the safe discovery of Mr. Kuramoto had entirely cleared the atmosphere of doubt and uncertainty and placed the relations of China and Japan on a more friendly footing. He specially informed Mr. Wang that Mr. Kuramoto had already been examined by Dr. Matsui of Shanghai. The doctor pronounced that the disappearance of Mr. Kuramoto on the night fo June 8 happened purely as a result of a temporary mental infirmity and that it was a matter of certainty that there could be no other reason. Mr. Suma declared that he was most happy to impart this information to Minister Wang. Minister Wang expressed satisfaction and hoped that Mr. Kuramoto would recover early.

Vice-Consul Kuramoto, of the Japanese Consulate-General at Nanking, as he appeared when photographed in the Ministry of Foreign Affairs after emerging from his sojourn on Purple Mountain. Although fatigued and emaciated from this five-day fast and exposure on the mountain there was no evidence that his mind was unbalanced. He did, however, appear depressed over something which apparently had happed within the inner circles of the Imperial Japanese diplomatic service in Nanking. What this was is still a secret and probably will remain so, but rumors persist in Nanking that a triangular love affair involving another high Japanese official may be the real explanation.

The Japanese government never made any demands on the Chinese government in connection with the Kuramoto case, Mr. Hirota, Minister for Foreign Affairs, told the cabinet June 15 at its regular meeting on that date. All that the Japanese government did was to request the Chinese authorities for a speedy and thoroughgoing investigation into what seemed then a baffling mystery, the Foreign Minister told his colleagues. This was in refutation of press reports which alleged that Mr. Suma, consul-general at Nanking, had made a demarche of a serious character, when he called on Wang Ching-wei, president of the Executive Yuan and Foreign Minister, on June 12.

Kuramoto was brought to Shanghai on a Japanese vessel which reached here on the morning of June 16. He was, however, closely surrounded by a strong detachment of Japanese Consular police and all attempts made by the assembled journalists or photographers to take his picture were frustrated. He was not allowed to communicate with any one, and was hurried off to the Fooming Hospital in North Szechuen road. Local newspapers reported that although he appeared to be in good health, his expression betrayed the strain under which he was burdened. He was scheduled to be returned to Japan with his family during the week. His reception there in official circles will undoubtedly be the most unpleasant that any human mortal can experience. He has committed the unpardonable offense of having made the Japanese government look ridiculous. What his eventual fate will be remains to be seen, but it is quite within the bounds of probability that the unfortunate Kuramoto will regret that he did not carry out his original intention of committing suicide in the hills near Nanking.

According to a *United Press* despatch from Tokyo June 15, deep satisfaction at the termination of the Kuramoto case and gratitude to Chinese officials for assistance in finding the missing Vice-Consul was expressed by a spokesman of the Foreign Office. Future Sino-Japanese relations should be better as result of the sincerity displayed by Chinese officials during the incident, the spokesman added. The Japanese Government was also pleased by the calmness which characterized Chinese public opinion regarding the case, he said. "It is to be considered fortunate," the spokesman told reporters, that Mr. Kuramoto's disappearance was found to be due to the nervous debility from which he is still suffering and not to the action of any other person." Koki Hirota, Foreign Minister, sent Yakichiro Suma, Consul-General

at Nanking, a message rejecting the latter's offer to resign as result of the incident, which prior to Mr. Kuramoto's return threatened to exert a serious adverse effect on Sino-Japanese relations. Consul-General Suma's handling of the matter was approved as "correct and proper" by the Foreign Minister.

Kuramoto's Chinese-made gold cuff-links which he "loaned" to a Chinese peasant woman in exchange for some food and drink. The characters on the cuff-links stand for "Felicity and Longevity."

The Nanking police authorities, following the discovery of Mr. Kuramoto, at once informed Director Shen Chin-ting of the Asiatic Department of the Foreign Ministry requesting him to go to the police headquarters to meet Mr. Kuramoto. Having expressed his sympathies to Mr. Kuramoto, Director Shen then enquired about the cause and motive of his action as well as his experience during his disappearance. Mr. Kuramoto did not want to speak about the motive or cause, saying as his excuse that a statement of it would not be proper without the concurrence of the Consul-General. However, he gave an account of what had happened while he was missing and, while talking, he sketched a chart of the various places where he went into hiding or to sleep. An account of his wanderings as given by Mr. Kuramoto himself was recorded by the *Kuo Min* news agency as follows:

"On the night of the 8th, I intended to leave this world. It was my original intention to go to the railway station to see Minister Ariyoshi and the other secretaries off, but I had to forego this because there was no room for me in the motor cars and so my colleagues and friends from Shanghai went to Hsiakwan without me.

At first I wanted to go to Chi-Shia-Shan but I changed my destination to the Purple Mountains because the time of the train did not suit my purpose. At that time my colleagues and friends had already left for Hsiakwan.

At about 10.45 p.m. I left the Consulate and took a rickshaw to the Chungshan gate. I left the rickshaw at the gate because the rickshawman refused to go beyond it thinking it was rather too late. I continued my way beyond the city on foot and finally reached the summit of the Purple Mountain. Looking down from that height on the lighted city I was filled with all kinds of feelings. It was to me a sort of final awakening and reverentially, I bade farewell to my relatives and friends in the city. After this I ascended the triangular tower on the Purple Mountain. As I went up I tied some of my cards and pictures with my handkerchief on to the railing of the stairway of the tower so that they might serve as signs of my visit there. I passed that night (Friday) on the mountain. I saw a big wild beast resembling a leopard or a large wild cat but, as I had made up my mind to die, I did not worry about being bitten to death. What I feared however was that if I should be devoured by the beast my clothes would be left there and that they could be easily discovered. Whereupon I took off my clothes and buried them in the ground. This done I quietly waited for the beast to attack me. To my surprise this animal went away in pursuit of some other small animals. Later it occurred to me that it was hardly worthwhile to be killed by a beast so I climbed up a pine tree. The beast however never came again.

"On the next day (Saturday, June 9) I came down the mountains but shortly afterwards I ascended again as I wanted to have a view of the beautiful sunrise. I felt very hungry and walked to the Tse-Hsia-Tung to get a drink of water. That night I slept under a big tree a little to the left of the cave. Wild beasts also abound in the vicinity of that place but I was fairly safe. In fact, my spirits wree extraordinarily cheerful. On the 10th I went from the cave into the hills behind the Ming Tombs. It was my intention to starve myself to death there. I therefore tried to gather rocks for the purpose of building a tomb myself but the rocks to be found there were too small for that purpose. That night I again slept under a big tree near by.

"On June 11, Sunday, I moved from behind the Sun Yat-sen Mausoleum into the hills behind the Ming Tombs. There again I began to gather rocks in order to build my own grave. But on account of the nearness of the place to the wall of the city with a little path leading to it, I was worried lest after my death my corpse would stink and lead to its discovery. So I changed my plan again.

As I walked further into the hills I discovered a cave which had been a lair for some wild animals. I repaired it somewhat and hid myself in it till the 12th (Monday), when pressed by hunger and thirst, I crept out of the cave to get a drink of water. That night I returned to the cave to sleep.

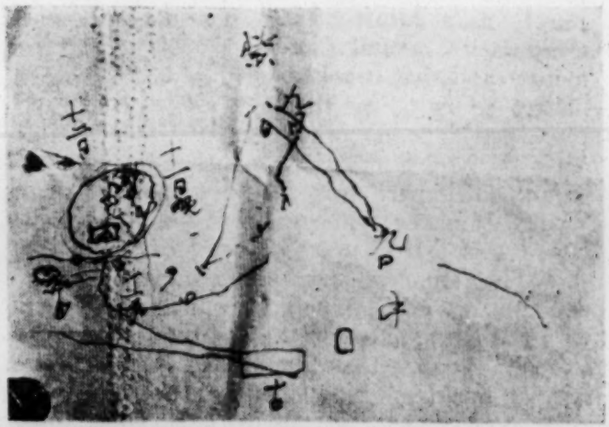
"During the day, my hunger being particularly unbearable, I got out of the cave again and walked to a tea house in front of the Ming Tombs to have some tea for which I paid twenty cents, all the money I had in my pocket. I also ate some noodles because I was very hungry. I offered the proprietress of the tea house my gold cuff-links as payment for my meal, but she refused to take them. I was told that what I ate cost very little and that I could pay her the next time I visited the place again. I told her that I was not likely to go there again. Then I handed my cuff-links to a workman near by, asking him to buy some eggs for me and I returned to the cave to rest. But the people in the vicinity, having found out I was hiding in the Mountain, proceeded to make a thorough search—which led at last to my discovery."

The *Reuter* account of Kuramoto's statement after he was discovered included the following:

The Japanese vice-consul, being told that Nanking was very glad that he was safe, replied: "I am not happy however; different people have different outlooks upon life." And, when it was pointed out to him that his wife and children would be glad to see him again, Mr. Kuramoto's answer was, "They can take care of themselves."

One of the few comments on the Kuramoto case, after he had been found, to appear in the Chinese Press, was the following in the Tientsin *Ta Kung Pao* June 14:—

"Although the case has now been closed by the discovery of Mr. Kuramoto, we would like to take advantage



A rough sketch-map drawn by Vice-Consul Kuramoto for the officials of the Ministry of Foreign Affairs in Nanking in order to show them where he had concealed himself while on his adventure in the vicinity of the ancient Ming tombs on the side of Purple Mountain. This map and writing indicate that Kuramoto was not "unbalanced" while talking to the Chinese officials prior to being turned over to the Japanese.

of the present occasion to say a few words to the Japanese people. International relations should be built on the foundation of mutual good will. Whenever an international question arises, the two countries concerned should trust each other. Only by this way can international friendship and amity be advanced. Throughout the Kuramoto case, the Chinese Government and people exhibited a very friendly spirit. On the other hand, the Japanese were very threatening in their attitude. When the whereabouts of Mr. Kuramoto was still a mystery, what evidence was there for the Japanese theory that he had been kidnapped and murdered by Chinese? Why did the Japanese compare the case to the murder of Mr. Sugiyama by the Boxers in 1900 and the Nakamura case in 1931? Again, why did the Japanese accuse China of lack of sincerity when it was a fact that the entire police and military forces of Nanking were being mobilized for the search for the missing vice-consul? All this indicated that the Japanese people, particularly important Japanese newspapers and news agencies, have been accustomed to think ill of China and the Chinese people and utter threats against them at every conceivable opportunity. This is really regrettable. The Chinese acted in an entirely different spirit in this case. When the disappearance of Mr. Kuramoto became known there was a general belief that it was a case of suicide, for it was absolutely incredible that any Chinese could have wanted to kill a Japanese vice-consul. Moreover, it was established beyond a shadow of a doubt that his decision to return to his home direct from the consulate instead of going to the railway station to see Mr. Ariyoshi off was reached on the spur of the moment. Hence the Chinese firmly believed that Mr. Kuramoto's disappearance was due to personal reasons. But this did not affect the Government's determination to search for the missing man nor did our newspapers try to make capital of it in order to strengthen the Chinese case. If the Chinese papers had stooped to the practice of the Japanese press, they could easily have said that Mr. Kuramoto was deliberately concealed by the Japanese in order to visit the blame on China, but they refrained. This cautious attitude may have been influenced by the fear that Japan would take drastic action if something had gone wrong with Mr. Kuramoto, but at the same time it cannot be denied that the Chinese people are by nature exacting as regards themselves but very generous to others. In other words, the Chinese displayed good will throughout the case, while the Japanese manifested the opposite trait. Under these circumstances, it is indeed very difficult for the Chinese to live on neighborly terms with the Japanese. We would advise the Japanese to reform their hearts first, otherwise there is no hope for an improvement in the relations of the two countries."

The little mountain shop kept by a Chinese peasant on the slope of Purple Mountain where Kuramoto purchased "on credit" his food supplies during his voluntary sojourn, which nearly caused an international incident.

The following comments were made by the *Shanghai Evening Post:*

The incident now seems closed beyond any further argument. And a very good thing that it is so. Since it is closed, the less future discussion the better. But that is far from saying that the "Kuramoto crisis" can readily be forgotten. Its startling implications were much too painfully apparent; Japan's tense preparedness to act, and China's docility, were too clear for comfort. It was all very like Mr. Kuramoto's vision of the leopard on Purple Mountain, prowling about and making ready to spring and eat him. In that dream Mr. Kuramoto seems to have put the leopard in the position of Japan and himself in the position of China. With touching readiness to cooperate, Mr. Kuramoto removed his garments hastily so that the buttons would not inconvenience the leopard. Even though the menace presently vanished, the tale remains interesting.

From the standpoint of world opinion one stands amazed at the latest manifestation of crass bad taste on the part of the Tokyo Foreign Office spokesman, an individual or institution not notorious of late for his employment of the light touch. According to a *United Press* dispatch, this worthy met word of Mr. Kuramoto's return with a stout, bull-headed declaration that "Chinese Government is responsible for the international crisis that resulted from the disappearance of Mr. E. Kuramoto because it had oppressed Japanese residents in Nanking ever since the Manchurian incident." To this not inconsiderable achievement in the field of ineptitude the spokesman added:

> "No apology will be offered the Central Government, but the Foreign Ministry will watch the Chinese press and Chinese residents in Japan for any cases where the incident is used as a basis for ridiculing Japan. The Japanese Government will expel any Chinese found distributing anti-Japanese propaganda and all publications containing such matter bearing upon the Kuramoto case, it was stated."

The last paragraph of the *United Press* dispatch remarks that "it is understood that no formal action will be taken against Mr. Kuramoto until he recovers sufficiently to be closely questioned."

There is a sinister tone to this which we believe unjustified on a basis of evidence which seems fairly clear at the moment. Mr. Kuramoto did not seek to provoke any "incident" and he did not even use bad judgment because he was obviously irrational, unbalanced. It is barbaric to think of taking any action, formal or otherwise, against such a man, except to relieve him from duty for which his condition renders him at least temporarily unfit. If anyone had cause for resentment against Mr. Kuramoto it might seem to be the Chinese, since he was responsible for a great deal of trouble, expense and danger to them. But in no Chinese quarter is there any demand for vengeance against a man so clearly innocent. Let a similar charity be exercised by his own people and the world will approve.

The *China Press* commented editorially on the Kuramoto affair as follows:

The right of the Japanese government, if it could be shown that the Chinese authorities were in any way at fault, to demand that that those responsible should be removed from their offices and better security given is unquestionable. But it was never shown that the Chinese authorities were at all responsible, and consequently a request of this kind would have to be scrutinized very carefully before it was granted. Even when culpability is manifest, it is not

always the case that satisfaction is granted. For example in 1927 there were unprovoked attacks made upon Chinese in Korea—a portion of the Japanese empire—resulting in many of them being brutally butchered and others being badly wounded, among them being at least one Chinese consular official, who was injured when the Chinese consulate at Chemulpo was attacked. Even in Japan itself the police are unable always to afford protection to foreigners, as was instanced recently by a telegram from Tokyo, stating that a formal note had been received from the Japanese Government at the Chinese legation expressing regret over the murder of a Chinese student by a group of Japanese students in Nagasaki. In the present case it remains unproven that the Chinese police had been guilty of neglect of duty, and unless it is so proven there is no justification for what can be called police demands. If it be true that, using this incident as a uretext, *political* demands are contemplated. Japan in our opinion will commit the gravest diplomatic blunder she has yet perpetrated.

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SOME "LAST WORDS" ON THE KURAMOTO EPISODE

While the Japanese *Rengo* service carried the first accurate report regarding the disappearance of Vice-Consul Kuramoto, the elements of fairness and accuracy cannot be attributed to certain other reports which appeared in the home Japanese newspapers regarding the incident. For example, the staff correspondent of the *Osaka Mainichi*, stationed in Nanking, sent a report to his paper which was published on June 15 which alleged that Kuramoto was found in a "covered" cave.... "it is still undetermined whether Mr. Kuramoto himself placed the covering on the cave or whether he was forced into the hole and the cover placed." It was admitted, however, later on in the article, that the cover to the cave...."was comparatively light in weight and could be easily moved by a man from within the cave." The heading on this article was, "Kuramoto Is Found Alive, Starving in Covered Pit," the natural impression conveyed to the readers being that he was forcibly placed in the cave and then sealed in. But, as stated in the foregoing, the *Rengo* report told the real story to those who took the trouble to read below the headlines. A further report, also on the front page of the *Mainichi*, admitted that the story which Kuramoto told after he had been taken to his own consulate-general, "indicated that what he had told the Chinese officials may have been true....and if so he is considered to have been very indiscreet." The *Mainichi* devoted almost the entire front page to the story and one of the sub-headings suggested that Consul-General Yakichiro Suma and Consul Asumi both would resign their positions as a result of the incident.

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There is no questioning the fact that the Kuramoto incident has placed Japanese diplomatic officials in China, particularly the staff in Nanking, in an embarassing position. But whether Tokyo will accept their resignations probably will depend upon the outcome of an official investigation which will be made after Kuramoto reaches Tokyo. The original reports regarding Kuramoto's disappearance only received brief space in the Japanese newspapers, thus indicating that it was not at first regarded as a serious matter. However, not many hours had elapsed before it was receiving large headlines, thus indicating that somebody had decided to make an "incident" out of it, even before China had been given an opportunity to make a thorough search for the missing Vice-Consul. While generally overlooked in most of the reports, the Japanese Residents Association in Nanking probably did as much, if not more than any other element, in stirring up Japanese opinion on the incident. Tokuji Shoji, manager of the Japanese N. K. K. steamship line and president of the Japanese Association immediately called on Consul-General Suma and pledged the cooperation of Japanese residents in "whatever measures the Japanese officials might find necessary." From that point on the Japanese residents organization held frequent meetings and passed resolutions demanding drastic action, all of which were cabled to Japan and published in the Japanese papers. In this respect the Japanese residents of Nanking acted quite similarly to the Japanese residents here who were largely responsible for stirring up the crisis which culminated in the undeclared war early in 1932. Then, of course, there were the numerous Japanese vice and rear-admirals who also were responsible for dispatching warships to Nanking without waiting for the Chinese to make an investigation. Whether the naval officials acted on their own or upon instructions from Tokyo, probably will never be known by the outside world, but a dispatch from Tokyo on June 11, only two days after Kuramoto's disappearance, stated that Consul-General Suma had been given a "virtual carte blanche" with regard to his dealings with Nanking officialdom.

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Whether Suma will be held responsible for what is now regarded as a major diplomatic blunder cannot be forecasted at this time, but that the incident is certain to have political repercussions in Japan is obvious. Assuredly an incident which has made Japan ridiculous in the eyes of the world cannot be overlooked in home Japanese politics, hence there is strong probability that Koki Hirota the inventor of "adroit" diplomacy, Aiji Aimu, the author of the "hands-off" policy, and possibly also Akira Ariyoshi, originator of "duck" diplomacy may all be forced to resign. If Hirota does accept responsibility and resign that probably will constitute the final gasp of the present Saito Cabinet. Within the brief space of a little over two years three members of this cabinet have been forced out of office because of corruption charges and in addition the Minister of Finance has tendered his resignation because the Department of Justice has caused the Vice-Minister of Finance to be locked up in jail because of graft charges. Should Hirota now resign that would leave only the aged Saito and the Justice minister still in office, an interesting record for a country which claims that it alone among the nations of the world is right!

General Chiang Kai-shek at Nanking; Through Peiping-Mukden Rail Traffic to Begin July 1

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. *General Chiang Kai-shek Returns to Nanking from Front*
2. *C. P. C. and N. E. C. to Hold Important Sessions This Week.*
3. *Through Peiping-Mukden Rail Traffic to Begin July 1.*
4. *Szechuan-Kweichow-Shensi Borders Harassed by Communists*
5. *Kwangtung and Kwangsi to Co-operate Facing South China Crisis*
6. *Luantung Situation Again Becomes Tense*

General Chiang Kai-shek, President of the Military Affairs Commission, accompanied by Madame Chiang, returned to Nanking from Kiangsi June 15. General and Madame Chiang travelled from Kiukiang by the gunboat *Yung Sui* and arrived at Wuhu at 6.40 o'clock in the morning of the said day. After landing, they immediately motored to Nanking on the newly constructed Nanking-Wuhu Highway, arriving at the Capital at 9 a.m. The returning Generalissimo was given an enthusiastic reception by the various Government and Party organs in the Capital. Immediately after arrival, he was called on by leading Government officials including President Wang Ching-wei of the Executive Yuan, President Tai Chi-tao of the Examination Yuan and a large number of others..

In the presence of a representative gathering of high officials of the Government, General Chiang reviewed the cadets of the Central Military Academy of which he is president, in the morning of June 16 on the occasion of the 10th anniversary of the esatblishment of the Institution. Following the review, General Chiang officiated at a ceremony commemorating the occasion and later received a presentation from the faculty and graduting cadets of the Academy in the form of a beautiful pagoda made of silver. General Chiang, in his eulogy for the fallen comrades, after recalling the serious difficulties the Party and the State have experienced during the past decade, paid tribute to the dauntless spirit of the graduates of the Academy who not only put down the revolts of Chen Chiung-ming, Lin Hu, Yang Hsi-min, and Liu Chen-huan in the south, and routed the northern generals in the punitive expedition, but are redoubling efforts for the unification of the country and resistance against foreign invasion through the suppression of the Communist banditry. In the brief span of ten years, however, the Party has lost its Leader, Dr. Sun Yat-sen, and the Academy is sponsor, Liao Chung-kai (representative of the Kuomintang on the Board of Directors of the Academy), who died at the hands of assassins in Canton. In the struggle for the consummation of the national revolution and the unification of the nation, several thousand graduates of the Academy have already made the supreme sacrifice. Tragic though their fate, they willingly laid down their lives in order that the principles of the Party may be realized and the welfare of the nation promoted.

With General Chiang's arrival, Government leaders from various parts of the country are converging on Nanking. Those who have arrived include T. V. Soong, member of the Standing Committee of the National Economic Council; Dr. W. W. Yen, Chinese Ambassador to Moscow (who is reported to be resigning from his post); General Yang Teh-chao, personal representative of General Chen Chi-tang. General Huang Fu, Chairman of the Peiping Political Council, is reported to be also coming to Nanking.

C. P. C. and N. E. C. to Hold Important Sessions This Week

Taking advantage of the presence of General Chiang and other Government officials in Nanking, the Central Political Council will hold an extraordinary session sometime this week, at which all important internal and external problems of the country will be thoroughly discussed. Among other issues of diplomatic importance, the meeting is expected to give a final word on pending Sino-Japanese problems now confronting North China, notably the question of resuming the Peiping-Mukden through railway traffic. Certain changes of personnel in various provinces will also be decided upon with a view to insuring national unification and better local governments. Problems pertaining to Government and Party affairs preparatory to their coming up at the fifth national convention of the Kuomintang will also be dealt with. General Chiang is expected to play an important part in these discussions.

It is learned from semi-official sources that General Chiang is planning to visit Hangchow to inspect the Central Aviation Academy there following the meeting of the Council. After a brief stay in the lakeside city, he may pay a visit to his native home at Fenghwa, near Ningpo.

The Standing Committee of the National Economic Council will hold a meeting Friday this week. General Chiang, a leading member on the Committee, has been invited to attend. At the meeting, T. V. Soong, another member, will make a report on his recent tour of inspection to the Northwestern Provinces. Liu Ching-shan, Director of the North-Western branch of the Council, arrived at Nanking June 15 after an extensive inspection of reconstruction work in the frontier provinces. Mr. Liu submitted a report on reconstruction work in the North-West to Chin Fen, Chief Secretary of the Council. He also called on T. V. Soong.

A message of congratulation on the repeated successes of the Bandit-suppression forces in the four provinces of Kiangsi, Honan, Hupeh and Anhwei has been received by General Chiang Kai-shek from the Shanghai City Chamber of Commerce which held its 5th annual meeting June 17. The message expresses the hope that General Chiang will, after the conslusion of the bandit-suppression campagn, take effective steps for the restoration of the lost territories in the North-east.

General Tsou Tso-hua, member of the Peiping Branch of the Military Affairs Commission, arrived at Nanking from Peiping June 15. He called on President Wang Ching-wei to report on the Northern situation on behalf of General Ho Ying-chin. He also submitted a similar report to General Chiang Kai-shek.

General Fu Tso-yi, Chairman of Suiyuan, was received by General Chiang June 18. General Fu reported on the situation in Suiyuan province. He was commended highly by General Chiang for his services in the suppression of the Sun Tien-ying revolt last Spring.

General Chang Chun, Chairman of Hupeh, and Dr. Lo Wen-kan, Minister of Justice, arrived at Nanking June 19 from Hankow. The purpose of General Chang's trip is to report on the situation in Hupeh to General Chiang Kai-shek and President Wang Ching-wei of the Executive Yuan. Dr. Lo is returning to Nanking after an inspection of the judicial administration in Hupeh and Hunan provinces.

The regulations governing the organization of the Frontier Affairs Ministry have been revised and adopted by the Legislative Yuan. The new Ministry will formally come into being this Autumn. Aside from ordinary departments, the new Ministry will have several commissions each to take charge of the Mongolian, Mohammedan and Tibetan Affairs. The monthly expenditure of the Frontier Ministry is tentatively fixed at $40,000.

The Military Officers' Moral Endeavor Society will shortly establish branches at Peiping, Hankow and Hangchow. Preparations are now being made at Peiping for the inauguration of the Peipnig branch.

The first draft of China's Permanent Constitution, which was recently drawn up by the Constitution Drafting Committee of the Legislative Yuan, is undergoing further study. The work is to be completed before the end of June when necessary revisions will be made of the second draft. Dr. John Wu, a member of the Legislative Yuan, in charge of the revision work.

A party of three prominent overseas Chinese from Selangor, British Malaya, who are now on a visit to the Capital, called on Chen Shu-jen, Chairman of the Central Overseas Affairs Committee, June 14. They will leave Nanking for the North-west in a few days to study possibilities of economic development.

A total of more than $200,000 has been paid by the Tientsin-Pukow Railway Administration to the Board of Trustees for the British Boxer Indemnity Refund as interest due on loans. The payment includes $60,000 for a loan from the Board last year and $141,300 for the Nankow-Pukow Ferry loan.

Up to the end of last year, altogether 81,348 workers were employed in the Government railway services in the country, according to statistics compiled by the Ministry of Railways. The wages for the workers total $51,496 daily, the statistics reveal.

The Ministry of Industry has granted patent rights for five years to Tung I-hsi for the invention of a portable safety fire-extinguisher, which has been examined and approved by the Committee for the Encouragement of Industrial Technique.

Orders for the enforcement of the granary system in Hangchow have been issued by the Chekiang Provincial Department of Civil Affairs to the various District Governments in the province. The order requires that by the end of the 25th year (1936)) a total of 7 million piculs of rice should be stored up in the province. The amount of rice to be collected from the various districts will be in proportion to the area of farm land under cultivation, the order states.

Due to the extensive area of the salt fields and maladministration in the past, the Salt administration in Chekiang province is the most complicated in the country, according to Feng Ju-liang, the retiring Salt Commissioner for Chekiang. To remedy the situation, special measures should be taken to improve the methods of drying salt and for the prevention of smuggling. Unprofitable fields should be abandoned in order that attention may be concentrated on a smaller but more fruitful area, Mr. Feng said. Chou Shan-nung has been appointed to succeed Mr. Feng as Salt Commissioner for Chekiang.

Through Peiping-Mukden Traffic to Begin July 1

In connection with the question of through rail traffic between Peiping and Mukden, reports are current here during the week that the China Travel Service in Shanghai and the Japan Tourist Bureau will jointly organize a travelling agency to handle the traffic on the Peiping-Mukden Railway. The reports state that through traffic on the Line will begin on July 1. It is said that as soon as this question is settled, the Japanese troops in the Luantung "Demilitarized Zone" in North China will be withdrawn to the otherside of the Great Wall. There is a strong possibility that the Tangku Armistice Agreement will be cancelled as most of the stipulations provided in the said Agreement have already been carried out.

According to a *Shun Pao* dispatch from Peiping June 19, a complete agreement has been reached between the Chinese and Japanese authorities regarding the through traffic question as a result of their recent conversations at Dairen. The text of the agreement will be published simultaneously by the Chinese and Japanese representatives. The technical side of the issue, however, still needs further discussion and it will probably be taken up at Tientsin some time this week. The discussions will be attended by Yin Tung on behalf of China, Col. Shibayama on behalf of Japan as well as the representatives of the South Manchuria Railway and the International Tourist Bureau. The China Travel Service will also be represented by its Director Chen Hsiang-tao, who is now on his way to Tientsin from the South. It is learned that General Huang Fu is returning to Peiping by the end of this month while the actual resumption of through traffic on the said railway will take place after General Huang's return.

In connexion with the report that the South-west Political Council will shortly issue a manifesto voicing its opposition to the resumption of through traffic on the Peiping-Mukden Railway, it is now learned that the Council has definitely abandoned the intention, according to *Chao Jan Pao*, Hongkong June 15. No reason has been given for this sudden change of attitude on the part of the South-west.

According to information in diplomatic circles in Nanking, the so-called "Opposite Shore Conference" of Japanese Consular officials stationed in South China and at Hongkong which has been summoned by the Japanese Governor-General of Formaso, is now in progress in Formosa. The Japanese report that the Conference has been postponed until July was circulated merely to district world attention to the conference. It is understood that expansion of Japanese influence political and economic in South China constitutes the principal subject of discussion at the Conference.

Sixteen Chinese deported from Japan arrived at Shanghai June 19. All sixteen are natives of Wenchow and were in the restaurant business. After they were deported their property was confiscated by the Japanese. All the victims are Kuomintang members and they are leaving for Nanking June 20 to make an appeal to the Chinese Government. It is learned that five of the Chinese returned had Japanese wives and by them they have had several children. When they left their Japanese wives accompanied them but at Kobe the Japanese police intervened and the Japanese women were compelled to stay in Japan.

Szechuan-Kweichow-Shensi Borders Harassed by Communists

The Communists are strongly entrenched around Tungkiang and the main body of the Red troops are now stationed at Chenglungkwan Pass, which is about a hundred miles south of Tungkiang. The report that the vanguards of the Communists have invaded Shensi is untrue as the Shensi troops have already taken necessary precautionary measures to check a possible advance of the Reds into the province.

There have been important developments in the anti-Communist campaign in northern Szechuen. The Communists have recaptured Wanyuan and they are moving steadily eastward.

According to information from military circles, the Communists under Ho Lung in northern Kweichow have held up further advance into southern Kweichow but are showing signs of changing their course in the direction of Hunan. It is believed that the Reds' next objective is Yungshui in western Hunan.

Generals Chiang Kai-shek and Chang Hsueh-liang have addressed a joint telegram to Generals Wang Chia-lieh and Liu Hsiang of Kweichow and Szechuen respectively ordering them to despatch troops to the Kweichow-Szechuen border for the suppression of Ho Lung's band of communists who are ravaging the border districts.

The "Reds" under Ho Lung who invaded northern Kweichow recently have been routed by the Kweichow troops, according to a message from General Wang Chia-lieh, Chairman of Kweichow. Three crack Kweichow regiments were despatched by General Wang to Tsunyi, northern Kweichow. A concerted attack was then launched against the Reds. After 10 days of hard fighting, the marauders were routed by the Kweichow units and forced to retreat to southern Szechuan. Three cities, including Choshui and Wuchwan, were recovered; rehabilitation work has been instituted.

Acting under instructions of General Chiang Kai-shek, General Yang Hu-cheng, Director of the Sian Pacification Headquarters, has mobilized two brigades to be sent southwards to northern Szechuan to assist in the suppression of the "Reds" under Hsu Hsiang-chien at Tungkiang, the only remaining "Red" stronghold in northern Szechuan.

General Yang emphatically denied press reports that Chengpa, a city in the extreme south of Shensi, has been occupied by the "Reds" under Hsu Hsiang-chien. General Yang announced that no "Reds" have ever appeared in that district. With the arrival of reinforcements, the defence works of southern Shensi have been greatly strengthened.

The Communists suffered another defeat at the hands of the Government troops in Hunan during the last few days, according to military reports received at Changsha from the front. The Hunan troops clashed with the 70th and 10th Red Divisions at Yunghsing recently and succeeded in routing the latter.

The capture of Kao Yung-sheng, a "Red" divisional commander, by the militia units of Siushui, north-western

Kiangsi, is confirmed by General Ho Chien, Commander-in-Chief of Honan Bandit-suppression Forces, in an official despatch on June 12.

Following the occupation of Hengfeng, "Red" stronghold in eastern Kiangsi, the Government's 21st Division has effected junction with the Government troops stationed at Shangjao, eastern Kiangsi. As a result of fierce attacks, the Government units have taken the Huangtanshüh and Yenwu mountains.

Practical measures for enforcement of the four administrative policies—survey of land, taking of census, institution of the "Pao-chia" (Mutual Guarantee) system and self-defence measures, and the construction of highways—have been formulated by General Hsiung Shih-hui, Chairman of Kiangsi. Of the 83 districts of Kiangsi, more than sixty have instituted the "Pao-chia" system while airplanes have been employed for the survey of farm land. The six inter-provincial highways (Kiangsi-Chekiang, Kiangsi-Fukien, Kwangsi-Kwangtung, Kiangsi-Hunan, Kiangsi-Hupeh and Kiangsi-Anhwei) will be opened to traffic shortly. Census of the population in the various districts of the "safety zone" has already been taken.

The Kwangtung Forces have succeeded in throwing a circle around the Communist strongholds at Yutu and Hsinkuo and they are gradually closing in on the Red forces. It is reported that the Communists have decided to evacuate Hueichang and Yutu and to remove their "Soviet Government" at Juichin to Ningtu or Shihchen. According to reports received from scouting planes there is much military transportation between Hueichang and Shihchen and it is generally believed that the Reds are actually planning to abandon Hueichang.

According to a military despatch received at Nanchang Military Headquarters June 18, only Changting, Tsingliu and Ninghua (western Fukien); Juikin, Shihcheng, Ningtu, Hingkuo, Hueichang and Yutu (southern Kiangsi) remain in the hands of the "Red" marauders, the rest having all been recovered.

The main forces of the "Reds" in northern and western Fukien have concentrated at Kweihwa (Mingki) city, "Red" stronghold in western Fukien. The "Reds" have recently retreated from Shahsien and Yungan, leaving behind 2,000 killed.

Chu Teh, commander-in-chief of the Communist Army, has arrived at Changting and Juichin, the Red Capital, to make preparations for the defence of that city. Chu is now stationed at Tapu, which is ten Chinese li from Changting, from where he is now directing operations at the front. A rigid recruiting campaign is now in progress at Changting and all people, irrespective of sex, between the age of 15 and 50 are required to join military service. At Changting alone about ten thousand persons have been so recruited. These people are now undergoing rigid military training at Tapu under the personal supervision of Chu Teh.

Descending from Lungkang towards Kulungkang, near Hingkuo, "Red" stronghold in southern Kiangsi, the 59th Government Division clashed with the 23rd "Red" Division and three independent "Red" regiments at Piaohu (Lake) where strong defence works have been erected by the latter. The bandits had just crossed the Lake, when they clashed with Colonel Chang's men. Bitter fighting ensued and continued for three hours, resulting in the rout of the outlaws and the occupation of the entire lake region by Government troops. Government troops are now engaged in the construction of a highway leading from Lungkang to Kulungkang, in Hingkuo district, to facilitate communications.

A new airfield is now under construction at Changteh, Honan. Originally the work was intended to begin at the beginning of this month, but as a sharp dispute has arisen over the price of the land, work has been postponed for two weeks.

Kwangtung and Kwangsi to Co-operate Facing South China Crisis

In view of the threatening situation in South China, Generals Chen Chi-tang of Kwangtung and General Li Tsung-jen of Kwangsi have decided to co-operate closely in facing the crisis. They also agreed to give financial co-operation to each other. General Li Tsung-jen has telegraphed to General Pai Chung-hsi in Kwangsi informing him about the new development in the Kwangtung-Kwangsi relations and he has asked General Pai to call a military conference of the Kwangsi military commanders to sound out their views regarding the situation.

General Huang Shao-hsiung, Minister of the Interior, called on Hu Han-min at Hongkong June 11, with whom he had a brief talk. He left for Canton June 14 to confer with General Chen Chi-tang and members of the South-western Political Affairs Committee on important issues before proceeding up-river to Kwangsi. General Huang remained in Canton for four days, during which he held several discussions with the Canton leaders and explained to them the position of the National Government vis-a-vis the Sino-Japanese situation in North China. It is understood that the political and military leaders in the South are contemplating to hold an important conference to discuss national defense measures and perfect preparations for the establishment of the South-western Branch of the Military Affairs at Canton, which General Huang will be invited to attend. General Huang left Canton for Kwangsi on June 18, but is expected to return to Canton in a few weeks.

Another conference of the ranking commanders of the Kwangtung land, naval and air forces was convened by General Chen Chi-tang at Canton June 16. Both General Chiang Po-cheng, personal representative of General Chiang Kai-shek, and General Hsieh Yo, Commander of the 6th Route Army were present. Concrete decisions were reached regarding the concerted movements of the various route forces. In view of the financial difficulties of Kwangtung, General Chiang Po-cheng has promised to petition the Central authorities for the remittance, in advance, of the June and July instalments of the monthly subsidy of $500,000 to the Southern Route Forces.

Under orders of Generals Li Tsung-jen and Pai Chung-hsi conscription system has been adopted in Kwangsi. All males who attain the age of twenty are required to enter military service for a certain period and they have been organized into many units which are known for their respective professions. Farmers are organized into Country Reserve Corps, Merchants are known as City Reserve Corps, students as Student Corps and civil officials as Civil Official Corps. All these corps are undergoing rigid training under the direction of the Kwangsi Military Headquarters. Under the new arrangement within a few years all males in Kwangsi will be able to shoulder arms for their own protection.

In view of the threatening situation in Kweichow as a result of the Communist invasion, Generals Chen Chi-tang and Li Tsung-jen have decided to extended material assistance to General Wang Chia-lieh, Chairman of Kweichow, in his suppression campaign against the Reds. General Li has agreed to send Kwangsi troops to southern Kweichow to strengthen the rear of the Kweichow forces while General Chen has also promised to send an air squadron to Kweichow to assist in the suppression campaign.

A group of 45 distinguished Filipino tourists arrived at Amoy last week by the steamer "*An Ching*" from Manila. The visitors consist of a number of Government officials and notables of the Philippines, including the Mayor of Manila, Chairman of the Manila Chamber of Commerce and a former Minister of Finance.

Luantung Situation Again Becomes Tense

The situation at Changli in the Luantung area has again become tense following a demand of the Japanese troops for the handing over of $4,900 fines on opium and gambling imposed by the District Government of Changli. On June 14, 30 Japanese soldiers, led by an officer, surrounded the building of the Changli District Government and demanded that the fines collected on opium-smoking and gambling be handed over to the Japanese. The demand was rejected by the Magistrate of the City. The matter is being taken up by Tao Shan-ming, Inspector-General of Luantung Area, with the Japanese Consular authorities in Tientsin.

According to a *Reuter* report from Peiping June 11, the Manchoukuo frontier police at Nantienmen and Kupeikow will shortly be withdrawn. The Chinese authorities at

Nantienmen have paid $7,000 to these men. This sum is alleged to have been incurred for repairs on the buildings which they have used as barracks during the last year or so.

Press reports concerning an exchange of posts between General Yu Hsueh-chung, Chairman of Hopei, and General Chang Chun, Chairman of Hupeh are denied by well-informed circles in Tientsin. The general opinion is that there will be no change of the civil and military leaders in North China in the next three months, according to a *Kuo Min* report from Tientsin June 18.

M. Thorbecke, the Netherlands Minister, left Peiping June 15 for Peitaiho to spend the summer. Dr. Osakar P. Trautmann and Nelson T. Johnson, respectively German and United States Ministers, will also spend the summer at the seaside resort.

The various Mongolian princes and dukes of the Yeghe Jo (Ordos) League in Suiyuan have requested Chang Chia Hutuketu, the "Living Buddha" of Chinghai (Kokonor), to report to the Central authorities on the condition of the Ordos League. The Central Government is urged to formulate measures immediately to assist the various Mongolian banners in resisting the encroachment of the Japanese military.

Lieut.-General Wang Chin-kuo, Commander of the 70th (Suiyuan) Division, called on General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, June 17 at Hopientsun, to report on his recent trip to Nanchang and Nanking. Su Ti-jen, Commissioner of Finance for Suiyuan, will also submit a report on the results of the 2nd National Finance Conference to the Shansi leader. General Yen has completely recovered from his illness.

Shansi observed June 12 as the "New Life" movement day. The day was declared a provincial holiday on which all schools, government offices and newspapers suspended work to celebrate the occasion.

After a visit to Nanking, Nanchang, Hankow and Kaifeng, General Han Fu-chu, Chairman of Shantung, returned to Tsinan via Hsuchow June 17 on board a special train. While passing through Taian he paid a visit to his former chief, General Feng Yu-hsiang at Mount Taishan.

In view of the financial difficulties of the Tsingtao Municipal Government, an arrangement has been made with the Ministry of Finance, whereby the Municipality will hereafter reduce its monthly subsidy to the 3rd Naval Squadron from $100,000 to $50,000. The Ministry of Finance will make up the balance.

A new airway connecting Lanchow and Ninghsia city, respectively capitals and Kansu and Ninghsia, was inaugurated on the 19th inst., by the Eurasia Aviation Corporation. The new line covers a distance of 400 kilometers which can be spanned in two hours.

The Shensi Provincial Agricultural Machinery Works at Huayin, northeastern Shensi, officially commenced functioning June 16. Various kinds of cotton machinery and motor-car accessories will be manufactured for use in the cotton districts of the province.

Beginning from the next fiscal year (July, 1934-June, 1935), national revenue collected in the province of Kansu will be remitted direct to the Central Treasury by the Kansu Provincial Government, according to a Lanchow message. The Central Government, in turn, will be responsible for the maintenance of the Kansu Provincial Forces. Concrete measures for the allocation of military funds will be formulated by General Chu Shao-liang, Chairman of Kansu, upon his return to Lanchow from Nanking.

Philippines May Remain Naval Base for Many Years Yet

A *Reuter* despatch from London June 19 quoted high American naval offrcials as saying that while the United States was preparing to withdraw from the Philippines, the Independence Act provides for the retention of naval reservations and fuelling stations there pending a conference to be held two years after complete independence, which the Filipinos may obtain in 10 or 12 years. Therefore, the naval officials stated, the future of the Philippines as a naval base will not come up for final determination t 1950.

U. S. Banknotes Forged in China

A counterfeiting plot in China was revealed by the U. S. Treasury Deparment, at Washington June 13. According to a statement made at the Treasury, a Filipino recently arrested at Kowloon (near Hongkong) has confessed to counterfeiting 1,500 United States ten-dollar notes. The counterfeits, it was disclosed, were apparently distributed to agents in a number of Chinese cities, 39 of the spurious notes being sent to an accomplice in Shanghai. It was stated at the Treasury that the alleged counterfeiter had implicated four other Filipinos and a Chinese holding Peruvian citizenship papers.

Darrow Associate Recommends Government by Workers and Farmers

George Thompson, member of the Darrow Committee appointed by President Roosevelt to investigate activities of the organization, stated in Washington June 14 that the development of the N.R.A. daily reveals an augmentation of Fascist tendencies in the United States, while, at the same time, it fosters capitalist monopolies. Mr. Thompson added that "a government by workers and farmers remains the only solution to the problem now confronting industry."

The longshoremen's strike on the Pacific coast, which resulted in delays of sailings of many ships coming to the Far East, has been settled by the employers recognizing the union and agreeing to arbitrate the question of the operations of various employment agencies, but many of the strikers are still recalcitrant.

The U. S. shipping strike has resulted in vessels from the Pacific Coast arriving in Shanghai with practically empty holds. Orders, not being fulfilled, many Chinese have cancelled their contracts and drawn on other countries, Japan included, for their requirements.

Release of Kipnapped Victims Secured by Missouri Police

Police at St. Joseph, Mo., June 15 secured the release of three persons who were victims of an abduction attempt and captured Joe Palmer, a gangster, who had caught the trio in their home and escaped in a stolen car with police hot on his trail. As first it was believed that John Dillinger was the kidnapper. Another gangster, associated with Dillinger, who died recently as a result of wounds received in an encounter with the police, stated that Dillinger was dead as the result of wounds, and that his associates had buried him surreptionsly.

U. S. Public Debt Reaches New High Record

The United States public debt has reached a new record of U. S. $27,005,000,000, exceeding the former highest total of U. S. $26,596,000,000 on August 31, 1919. President Roosevelt's estimate for June 30, the end of the fiscal year, was U. S. $29,847,000,000, but there is a balance of U. S. $2,759,000,000 accumulated from the general fund to meet extraordinary emergencies between now and September 15.

U. S. Congress adjourned during the night of June 19 in a harmonious atmosphere, after a tumultuous session. Congressional action appropriating over $2,000,000,000 to finance government recovery work for the year beginning July 1 was completed the previous day and forwarded to President Roosevelt.

President Roosevelt Signs Silver Bill

President Roosevelt signed the Silver Bill June 19. Declaring it to be the policy of the United States to have 25 per cent of the monetary value of the nation's metallic reserves in the form of silver, the bill confers permissive authority upon the President and the Secretary of the Treasury to achieve that objective, fixing a maximum price of 50 cents an ounce for the white metal.

A Federal Court jury in New York, June 19 found Joseph Wright Harriman, millionaire chairman of the board of the Harriman National Bank and Trust Company, guilty of misapplication of bank funds.

The House of Representatives June 13 day passed the Housing Bill, which provides, among other things, for the establishment of a home credit insurance corporation capitalized at $200,000,000.

The House of Representatives June 13 passed a resolution withholding further United States payments of claims to German citizens until it is ascertained that the German debts to the United States will be met.

The French government has cancelled the expulsion order issued against W. R. Hearst, newspaper publisher, in 1930. Mr. Hearst is at present in Spain, but there are no indications that he intends to avail himself of the French gesture.

U. S. Fleet Quits New York

The United States fleet put out to sea from New York June 18 amid tremendous enthusiasm. The fleet had been in New York for 18 days. The ships are sailing for various points on the Atlantic coast to carry out tactical exercises and to participate in Fourth of July celebrations. The fleet will return to the Pacific in September.

Some Recent Changes in the Status of the International Settlement

By William W. Lockwood, Jr.

(Reprinted from the Bulletin of the American Council, Institute of International Relations, N. Y. Mr. Lockwood, writer of the following article is a professor at Bowdoin College. He obtained the material upon which this article is based while visiting his parents in Shanghai last year, his father being Associate Secretary, National Committee of the Y.M.C.A.

SHANGHAI occupies a unique position in the economy and politics of the Far East as a stronghold of foreign rights and interests. The political status of Shanghai is complicated, it will be remembered, by the existence, side by side, of three mutually independent municipalities: the City Government of Greater Shanghai which controls the Chinese area; the French Settlement ("French Concession") which is administered by the French Consul-General; and the Foreign (International) Settlement, with a population of more than one million and important vested interests, once predominantly foreign and now increasingly Chinese.

A Municipal Council, elected by ratepayers and controlled in certain respects by foreign ratepayers assembled in ratepayers' meetings, administers the affairs of the Settlement in accordance with the Land Regulations. Its constitution has undergone no general revision since 1869. Amendment to the Land Regulations is difficult, requiring the approval of the Chinese Government as well as that of the Consuls and Ministers of the Powers enjoying extraterritorial rights in China. Through an elastic interpretation of the Land Regulations and Byelaws, however, the Council has claimed broad administrative powers which have made it virtually an independent municipality under the protection of the Treaty Powers who now maintain in the Settlement armed forces totalling approximately 7,000 men.

Recent years have witnessed important changes in Settlement administration to satisfy the aspirations of Nationalist China. These changes found their rationale in the voluminous report by the Hon. Mr. Justice Feetham, Judge of the Supreme Court of the Union of South Africa, who made a careful analysis of the Settlement regime at the invitation of the Municipal Council. The Sino-Japanese hostilities at Shanghai in 1932, however, and the subsequent stiffening of Jaapnese policy injected fresh complications, the ultimate effect of which is yet to be determined.

Chinese Representation

Of these changes none is more important than the admission of Chinese for the first time to a share in municipal government. Resentment among Chinese over their lack of municipal franchise reached critical proportions following the incident of May 30, 1925, at which time the Municipal Council was made up of nine foreigners elected by foreign landowners and householders.

On April 14, 1926, the foreign ratepayers adopted a resolution authorizing the Council to make representations to the Powers with a view to adding three Chinese members to the Council. Such minority representation failed to appease the Chinese community. The matter was finally compromised by the addition of six Chinese committeemen to the Council's advisory committees, and the three Chinese councillors took their seats on April 20, 1928. In 1930 their number was increased to five out of a total Council membership of fourteen. In 1930-31 the Council adopted a policy of gradual additions to the Chinese personnel of its staff. A year later the Land Commission which determines the compensation to be paid for land acquired for public use was enlarged from three members to five by the addition of two Chinese. Following a request from the Chinese Ratepayers' Association, the Council on June 7, 1933, approved in principle the appointment of a Chinese auditor, and on January 24, 1934, promoted a Chinese police officer to a deputy police commissionership. In the summer of 1933 six Chinese graduates of the Central Political Institute at Nanking were attached to different departments of the Council staff in rotation for a training period of four months.

The major change, however, is the addition to the Council of five Chinese elected annually by representatives of the Chinese Ratepayers' Association, regional associations and trade guilds. The nine foreign councillorships are now apportioned by informal agreement among the leading national communities to five British, two Americans, and two Japanese. Thus, while the Chinese are still in a minority, they equal in number the representatives of the dominant foreign group—the British. There remains nevertheless a latent discontent among Chinese with a scheme allotting minority representation to the Chinese community which includes 97 per cent of the population of the Settlement and pays at least two-thirds of the municipal taxes.

The municipal system is one which centralizes authority in a high degree. Important minorities like the Russians and Germans are not represented by nationals on the Council. Moreover, in the case of the foreign as well as the Chinese franchise, a property qualification limits the number of qualified voters to a small fraction of the resident population, and still further restricts eligibility for Council membership. The Land Regulations require approval of the financial policies of the Council and of changes in the Byelaws by the foreign ratepayers assembled in meeting; but apathy on the part of ratepayers, excepting the Japanese, has made these meetings increasingly perfunctory. The independence of the Council is correspondingly increased. A further influence intensifying the oligarchical character of Settlement rule lies in the traditions of private Council meetings, collective responsibility before the public, and little or no public campaigning by candidates up for election to the Council.

Relations with the Government of China

A second type of change introducing a greater element of Chinese rule in the Settlement has arisen out of attempts on the part of the National Government to bring the Settlement within the orbit of its judicial and administrative system

Courts—The Provisional Court set up in place of the old Mixed Court on January 1, 1927, having proved satisfactory to neither foreign nor Chinese authorities, was superseded on April 1, 1930, by two new courts, the Shanghai Special Area District Court, and its appellate division, the Second Branch Kiangsu High Court. These two courts are incorporated in the modern judicial system of China as regular Chinese courts—with the exception, however, of certain special features which preserve a considerable measure of foreign control. The Council, for example, shares control over the appointment and dismissal of the Judicial Police; and the functions of initiation and prosecution in criminal proceedings normally undertaken by a Chinese procurator, are assumed largely by the Municipal Police and the Municipal Advocate, foreign head of the Council's Legal Department. The new courts have gone far towards allaying the grievance of the Chinese, however, and are reasonably satisfactory, especially in their efficient Criminal Divisions, to the foreign authorities. The 1930 Agreement establishing these courts was renewed for a period of three years in February, 1933, at which time the Chinese Government agreed to institute measures to check undue delay in civil proceedings.

In criminal matters several issues have been sharply contested. The courts are empowered to enforce all Chinese laws duly enacted and promulgated, as well as the Land Regulations and Byelaws of the Foreign Settlement. The Municipal Council, claiming exclusive administrative authority, has steadfastly refused to allow the courts to enforce in the Settlement the rules and regulations of outside Chinese administrative bureaus. In 1932, furthermore, the courts underwent severe denunciation by the Japanese and by the Chairman of the Council for their failure to defy Chinese public opinion and uphold the law in respect to the seizure and destruction of Japanese goods by boycott societies. In the matter of requests from outside civil and military authorities for extradition, the Council has insisted upon the provision of the 1930 Agreement requiring the establishment of a *prima facie* case in a Settlement court except in the case of requests emanating from other modern law courts. The Municipal Police and the Municipal Advocate have cooperated fully, however, in the strenuous efforts of the Nanking Government to suppress communism. Since 1931 the Police have also conducted an energetic and partially successful campaign to suppress the drug traffic in the Settlement. As is the case with many Shanghai problems, a thorough-going solution here requires joint action by the Council and the French and Chinese authorities.

Chinese Taxation—Despite an apparent lack of treaty sanction, the foreign authorities have been able, after unhappy early experiences, to establish the principle that no Chinese taxes should be collected locally from either foreign or Chinese firms, with the exception of tariff duties and a nominal land tax. In recent years, however, the National Government has been collecting certain excise taxes by informal means from foreign as well as Chinese firms, the foreign authorities acquiescing. Where large numbers of small Chinese shops and factories create a problem of enforcement, as in the case of the stamp and rolled-tobacco taxes, the Consular Body has agreed to permit collection from Chinese firms through the Municipal Police and the Municipal Advocate. Thus since 1929 the Council has been acting in a limited way as the agent of the National Government in collecting Chinese taxes on Chinese business in the Settlement.

Factory Legislation—Shanghai is unique today as an industrial center devoid of factory regulation except for certain building standards and fire regulations. In 1929 however the Nanking Government promulgated a Factory Law to become operative in 1931 and in the latter year with the advice of M. Pone and Dame Adelaide Anderson, League of Nations experts, began the training of factory inspectors. The Municipal Council was roused to action by these moves and in 1931 endorsed factory regulation in principle. This endorsement was implemented on April 19, 1933, when the ratepayers approved an amendment to the Byelaws empowering the Council to control industrial conditions by a system of licensing. The proposal that the Council set up its own laws and enforcement

agency, while avoiding extraterritorial complications, has encountered strenuous opposition from the Chinese authorities and business community who maintain that, as a matter both of treaty law and of sound economic policy, the control of industrial conditions throughout China should be in the hands of a unified Chinese administration. Though willing to cooperate as regards the regulations to be adopted and their rate of enforcement, the Council has insisted on maintaining unimpaired its administrative integrity. Long negotiations have been carried on; but a deadlock continues, according to press reports, over the question of the sharing of control over the personnel and operations of a joint factory inspection service.

External Roads Areas—With the increasing congestion of Shanghai, the Municipal Council for many years fostered an extensive urban development north and west of the Settlement through a policy of purchasing land and building extra-Settlement roads. It has extended its municipal services and exercised policy powers upon these roads and adjoining property, an area 40 per cent greater in size than the Settlement itself. A municipal tax returning partial compensation for the cost of these services has been levied on house rents in the External Roads Areas. Lacking legal authority to compel payment, the Council has enforced payment of this tax since 1906 by inducing the foreign utilities to withhold services from recalcitrant residents.

Chinese opposition to this usurpation of authority increased until, in 1927, it compelled the Council to abandon the further purchase of land for Outside Roads. Since 1927 the Chinese City Government of Greater Shanghai has made considerable headway in the conversion of the areas adjoining the Settlement into a modern municipality, symbolized in the ambitious civic center at Kiangwan. It has asserted vigorously the Chinese claim to jurisdiction over the External Roads Areas, though with a restraint which has made it possible thus far to avoid any major incident. This demand for rendition of the Outside Roads led the Council in July, 1930, to undertake negotiations with the City Government with a view to devising a compromise transitional regime. By July, 1932, an agreement had been reached on a *modern vivendi* satisfactory to all parties except to the Japanese who reside in the Northern Area in large numbers and take a strong position in regard to the retention of a considerable measure of control over this region. The proposal appears to have involved the transfer of authority to the City Government with safeguards concerning taxation and provision for an element of foreign supervision in a special police force. This solution is reported to have been blocked by disagreement between Chinese and Japanese over the extent of Japanese representation in the higher ranks of this mixed police force. A settlement is still pending, despite general dissatisfaction with the present uncertainty.

Municipal Policies

Concurrent with the introduction of a Chinese element in the Settlement regime, the past eight years have witnessed the removal of certain racial distinctions and the acceptance, in principle at least, of new municipal obligations. Thus, since 1928 the parks are open without racial discrimination. The imposition of a twenty-cent admission fee continues, however, to exclude those felt decidedly to be undesirable, that is, the greater part of the Chinese community.

The Council has substantially altered its policy respecting municipal education during the past decade. The municipal provision for the education of Chinese in 1923 consisted of four tuition secondary schools for boys only, which enrolled on January 31, 1,281, out of a total of 150,000 to 300,000 children of school age in the Settlement. Five per cent of the municipal budget for 1924 was devoted to education, and of this amount one-third was allocated to the education of Chinese.

Public discussion of the advisability of expanding this educational program followed the anti-foreignism and disorders of 1925-1927. In 1930 the Council set up an Education Board composed of foreigners and Chinese, and in 1931 announced a new policy stated by the Chairman of the Council to be "the provision of suitable educational institutions for the children of residents in the Settlement and those who, directly or indirectly, contribute to the rates, irrespective of nationality." A comparison of the municipal budgets for 1929 and 1933 reveals that expenditure on municipal foreign schools almost doubled, while that on municipal schools for Chinese more than quadrupled. In addition, grants-in-aid to private schools, mainly Chinese and Japanese, amounted to Taels 191,500 in 1933 and raised the 1933 education budget to Taels 1,567,150 (9 per cent of the entire municipal budget). Approximately 5,500 Chinese boys and girls were enrolled in ten municipal primary and secondary schools in January, 1934. Chinese edcuation in 1933 absorbed more than one-half of the education budget of the Council for the first time in the history of the Settlement.

A construction program laid down in 1931 called for the completion by the end of 1938 of 23 municipal schools accommodating 7 per cent of the Chinese children of school age in the Settlement. Financial stringency, however, led the Council on January 10, 1934, to decide upon a curtailment of these plans. For the same reason, other civic needs appear to wait upon the willingness of the ratepayers to raise tax rates, now comparatively low. Little headway has yet been made, for example, in carrying out the recommendations of the Hospital and Nursing Services Commission which reported to the Council in January, 1932, urging a capital outlay of 20 million taels on buildings and equipment to remedy a serious lack of hospital facilities and health services for indigent Chinese and foreigners.

Japanese Policy at Shanghai

The Sino-Japanese hostilities of January 28 to March 3, 1932, placed the Foreign Settlement in a precarious position. Apart from the danger that large-scale military operations might devastate areas directly adjoining the Settlement, the Council was embarrassed by the following circumstances: (a) the sector of extra-Settlement Chinese territory which the Japanese marines attempted to occupy on the night of January 28 was allotted to them in a defence plan drawn up in 1931 by foreign garrison commanders and Settlement officials; (b) for five weeks the Japanese forces assumed complete control of the northern part of the Settlement, disarming and intimidating municipal police and paralyzing all municipal activities in this area; (c) despite repeated protests, the Japanese used the Settlement as a base for landing troops and supplies and launching military operations against the Chinese positions. The Council declined to accept responsibility for the actions of the armed forces of a foreign power which its declaration of a state of emergency called to the defence of the Settlement but which it lacked authority to control by virtue of its legal status.

Since the hostilities of 1932 the Japanese community through its semi-official Japanese Residents' Association has taken an aggressive position in Settlement affairs. Its long-standing request for a Japanese deputy police commissioner was granted by the Council in January, 1934. As indicated above, disagreement between Chinese and Japanese authorities is blocking a settlement of the External Roads question. Of potential significance in this connection is the recent erection by the Imperial Japanese Navy at a commanding point in the disputed Northern Area of a large and fortresslike concrete hospital and military barracks designed to accommodate a Japanese garrison of 2,000 men.

Recent Japanese policy in China has further complicated the tangle of foreign rights and interests at Shanghai by bringing about a divergence in the policies of the Powers respecting a situation which, by its very nature, calls for coperative action.

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Chinese Delegates at Geneva Attack Labor Conditions in Shanghai

Alleging that foreign concessions in China, particularly those in Shanghai, exist only for the advantage of foreign capitalists who have no idea of social justice, An Fu-ting, Chinese delegate to the International Labor Conference Geneva, made a fervent appeal before that body June 16, for international aid in improving labor conditions in the foreign settlements. Foreign capitalists, he said, do not in any way consider the welfare of Chinese workers, and, as they are rich, they mould the policy of S anghai concessions. Moreover, said the speaker, whenever the Chinese Government seeks to introduce inspections of labor conditions in Shanghai foreign employers oppose the move, citing as their sole reason for doing so their extraterritorial privileges. In view of these privileges, they are exempt from labor legislation passed by the Chinese Government. It was indeed deplorable, said Mr. An, that, in this age, we should see a large group of men who still have the colonial ideas of the 18th eentury and oppose labor legislation which would have as an end the encouragement of social justice. While opposing economic nationalism, the speaker stated that he sought international co-operation as a means to remedy the problem.

"In the name of 2,000,000 workers in Shanghai's foreign concessions and in the name of hundreds of thousands of workers in the treaty ports of China, I appeal to this conference for an internationl labor organization to take practical steps toward remedying the situation. I have no doubt that this appeal will be heard," Mr. An concluded.

China Thwarted in Applying Factory Act, Another Delegate Says

Lie Ping-heng, acting delegate, in speaking at a general discussion on the Director's report, on the 1929 factory Act, in Geneva, June 13, emphasized the thwarting of China's efforts to apply the Act in foreign concessions. He said that the authorities in the foreign concessions refused to allow the Chinese to inspect and control working conditions. This was a great anomaly, he said because the concessions were Chinese territory. Mr. Lie mentioned the Chinese Government's efforts to cope with unemployment by road building—particularly a three-year plan. He declared that the government also contemplated the development of industrial enterprises, including a four-year plan to cost $620,000,000. He mentioned the fact that five large works had already been established.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.52	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.18	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.

2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

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3rd class passenger	40 Kilogrammes (67 catties)

Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.

4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

A Budgetary Deficit of $103,000,000!

BY PAUL K. WHANG (汪仲芳)

CHINA, as reported in the vernacular press, is faced with a deficit of no less than $103,000,000 in her national budget for the coming fiscal year (July 1,1934-June 30,1935). The new budget, which has been decided upon as the result of a series of meetings held by the Directorate-General of Budgets, Accounts and Statistics, estimates the total annual income at $815,-915,000 and the total expenditure at $918,685,457, thus leaving a deficit of $102,770,457. In other words, the Ministry of Finance, in order to make both ends meet, has to find some means to raise $8,564,204 every month. What in the most significant of all is the fact that military appropriations amount to as much as $450,000,-000, constituting almost 50% of the total expenditure and 55% of the total income.

A later report from Nanking stated that the amount of shortage was exaggerated. In spite of this, we are still inclined to believe that the deficit as it appeared in the first report is not very far from the truth, if we can only go back to the past budgets for reference. In the 19th year of the Republic (1930-1931), the deficit was $216,000,000, while in the 20th year (1931-1932), it was $130,000,000. The national budget of the 21st year (1932-1933) was said to be balanced "without resorting to further bond issues" in accordance with the words of T. V. Soong, the then Minister of Finance; but the budget of the 22nd year (1934) was again in red figures. In November, 1933, Dr. H. H. Kung, in his talk before Shanghai newspaper men right after he had succeeded Mr. Soong, stated that the government then incurred a deficit of $10,000,000 every month, or $120,000,000 a year. From these figures, we can safely deduce that the present deficit of $103,000,000 is rather under-estimated than exaggerated.

At a time when the national income has been falling off as a result of acute business depression, and the national expenditure has been mounting high because of the increase in military appropriations, every government on the earth has been at its wit's end to make good the budgetary deficit. Even the United States and England, the two richest countries in the world, have experienced the same difficulty in balancing their respective budgets. The British Government, through the efforts of its Chancellor or the Exchequer, has now managed to present to its people a "sunshine" budget.

Dr. H. H. Kung's Optimism

Take our nearest neighbor, Japan, for instance. The new budget for 1934-1935, which is now known as the "war" budget, places the expenditure at the startling figure of Yen 2,112,000,000. According to Aiichi Nishinori, financial editor of the Tokyo *Nichi Nichi*, the present budget expenditures when added to other basic expenditures of the nation, will bring the total to Yen 2,800,000,000, or more than double the ordinary revenue for the current year, which is estimated at Yen 1,300,000,000. This "war" budget is so called because it includes two important items, Yen 487,000,000 for the Navy and Yen 449,000,000 for the Army, totalling Yen 936,000,000. It is said that the Japanese Finance Minister will have to dispose of approximately Yen 1,000,000,000 worth of bonds to meet the national expenditure.

In comparison with Japan's figures, China's budgetary deficit is indeed very small. In this connection, it may be recalled that Dr. H. H. Kung, when he was appointed to the post of the Minister of Finance, said that a vast country like China should find no difficulty in meeting the small budgetary expenditure of $800,000,000 as compared with the U.S.$700,000,000 annual expenditure of the Municipality of Greater New York. Based on the strength of this optimistic statement, we have reasons to believe that the Finance Minister will find no difficulty in making good this small budgetary deficit.

But what concerns us is not the present budgetary deficit but he chaotic condition of our government finance. During the fifteen years from the overthrow of the Manchu dynasty in 1912 to the establishment of the Nanking Government in 1927, the then Peking Government, on various occasions, contracted foreign loans to the extent of $600,000,000 including the infamous Nishihara Loans, and issued government bonds to the amount of $500,000,000. This huge amount of money thus raised was mis-appropriated and went to the private pockets of self-centered politicians and militarists. As a result, government finance became very chaotic, and national credit was at a very low ebb.

Since the Nanking Government came into being, it can no longer raise any more money from the foreign markets, and has to rely upon domestic loans as a chief source of government finance. During the four years from 1927 to 1931, it raised from the domestic market loans of $1,000,000,000 to meet the ever-increasing national expenditure. T. V. Soong, former Minister of Finance, did try to retrench the national expenditure in general and military appropriations in particular; but his attempt to put a brake upon the military appropriations made himself so unpopular with the leading militarists, that in the end he had to quit his office last year.

Dr. Kung may be very optimistic over finance matters, but the task he has now on hand does not strike us as easy as we are made to believe. The deficit as shown in the present budget is not large, but to raise $8,564,204 every month under the present conditions is far from being a feasible task. To resort to further bond issues will easily drag the government further down in the Slough of Despond. The tariff wall is already high enough, and any attempt to increase its height will only encourage smuggling on a much larger scale. Business taxes and surtaxes as assessed today have already proved too burdensome to be borne by the business men, and their increase would only stifle domestic commerce and industry. The present excessive land taxes and surtaxes have been partly responsible for the present rural bankruptcy, and even Dr. Kung himself, in his speech at the National Finance Conference, recognized the necessity of their thorough reform as a measure of relieving the rural distress.

Retrenchment Absolutely Necessary

Thus any available means of opening up our resources either by issuing bonds or by heightening the tariff wall or by increasing the rates of business and land taxes and surtaxes can not be undertaken without the accompaniment of dire consequences upon the country. Such being the case, we have been left with no alternative but to retrench our national expenditure. The old saying, "To cut one's clothes in accordance with one's cloth" must be observed by our Finance Minister in coping with the present financial difficulty. If we are poor, we must forego all the unnecessary luxuries for which we can not afford to pay. It is suicidal to purchase these unnecessary luxuries with the money borrowed at high rates of interest and from different sources.

Our big army is an unnecessary luxury in question. Since military leaders came into power, our military appropriations have been rapidly increasing, and have eaten up more than half of the total national income. This huge expenditure would be justified, if the army thus raised at the expense of the people, could be used for national defence instead of personal use. But in spite of our numerical military strength, we could not defend our territory against the Japanese invaders. We can not fare any worse at the hands of the Japanese, if we have not one single soldier throughout the country. Then why should we lavish upon military expenses, when we have cut to the bone the necessary expenses for educating younger generations and carrying out various reconstruction and rehabilitation works?

China has no territorial designs upon her neighbors. Nor has she any wide dream of conquering the world. It is true that with an aggressive neighbor lying at our next door, we have to arm ourselves to the teeth. But for our national defence, a small but efficient army will be sufficient. The strength of an army, as a matter of fact, lies not in its number, but in its efficiency. A big but useless army will prove not only a heavy burden to the people, but also a serious menace to the country.

The increase in our military expenditure is partly attributed to our endless campaigns against the so-called Red-banditry. It is pertinent to ask whether it will pay to spend billions of dollars for tackling a problem, the solution of which, according to many acute observors, must be sought in the political and economic readjustments. For years, many campaigns have been conducted to exterminate this menace, but all efforts have resulted in no success. The upshot of the present campaign can not yet be forecast, although we have been profusely promised that the campaign will soon come to an end with success. In view of the present financial difficulties, we can not help wondering if there are not some ways more economical and effective in exterminating the Red-banditry than the resorting to force.

We can not retrench our unnecessary expenditure, if we have to maintain our huge army and conduct endless campaigns against the communists. It naturally follows that we can not balance our budget if the military appropriations should continue to eat up more than half of our national income. Therefore it is our hope that the present Finance Minister like his predecessor, will also stand firm in cutting down military appropriations even at the risk of losing his office.

Shanghai, June 18, 1934.

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Chekiang Supports Movement to Suppress French Savings Societies

The Executive Committee of the Chekiang Provincial Party Headquarters in a recent petition to Central Party Headquarters recommended that the activities of the International Savings Society and L'Epargne Franco-Chinoise of Shanghai, both of which are foreign concerns, be curbed immediately. The petition points out that these two so-called "savings" societies, which offer big lottery prizes at attract the public, have received almost $100 millions from the Chinese. In the interests of the people's livelihood, the National Government should be requested to call a halt to their activities, it is urged.

Naval University to Be Established in Fukien Province

The Ministry of the Navy will establish a Naval Academy at Makiang in Fukien. Admiral Chen Shao-kwan, Minister of the Navy, will be the first President of the Academy. The students are to be selected from among the high naval officers including the captains of all Chinese warships. The school will be formally inaugurated on July 1 when Admiral Chen will proceed to Makiang to officiate at the ceremony.

The gunboats *Yungning*, *Funing* and *Suining* have been sent to attack the pirate retreat at Hsiaomoyu Island off the Fukien coast.

Sir Frederick Maze Honored By China Committee in London

Sir Frederick Maze, inspector-general of the Chinese Maritime Customs who arrived in England on May 21 on furlough, was guest of honor June 14, in the House of Commons at a tea given by the China Committee. The previous day a luncheon was given in his honor by the Federation of the Chambers of Commerce of the British Empire, at which Walter Runciman, president of the Board of Trade, was the chief speaker. A luncheon was given for him by the China Association June 15. On July 11 both Sir Frederick and Lady Maze will be guests of honor at a dinner given by the Royal Central Asian Society.

Provincial Students in Peiping Colleges Involved in Serious Fights

An eating house in the neighborhood of Chao Yang College in the North City of Peiping was the scene of a free fight between Honan and Cantonese students on the night of June 9. Both sides used clubs, chairs, iron bars and various missiles. The result was that the Canton students suffered eight casualtics and the Honanese six. The same evening a party of Shantung students of Chung Kuo College descended on the dormitory of Hunan students and beat up one Hunan student, named Yang Chao-chih, seriously wounding him. Other Hunan students who tried to go to the rescue of Yang, were also attacked and injured.

Imports Into Shanghai During May Reach $54,526,330

The Maritime Customs report for Shanghai for May shows a five million dollar drop in the total of net imports to Shanghai from countries aboard during said month as compared with figures for the previous month. An increase, however, of more than four million dollars in net exports from Shanghai to countries abroad for May, over the April total, was recorded in the Customs report. The grand total ot net imports for May amounted to $54,526,330, as against the previous month's total of $59,022,478. May net exports totalled $25,864,919, while the total for April was $21,039,843.

Net imports to Shanghai from abroad during the period from January 1 to May 31, inclusive, amounted to $291,040,151, while net exports over the same period totalled $108,845,137.

Japan Despairs of the 1935 Naval Conference

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE naval conference to be opened in 1935 was widely discussed until early this year, being a favorite topic that grasped the minds of the masses. Later, it appeared the question lost popularity to some extent. Toward the end of May, as the opening of a preliminary parley at London was reported, the affair regained some of its former popularity and up to the middle of June it has continued adding life to the press. Generally speaking, however, despite the fast approaching 1935 conference (The *Tokyo Asahi* on June 3 predicted it will take place in April in London) the public seems to have lost its former enthusiasm to some extent, although the issue of the conference apparently weighs heavily upon their minds.

In May the *Osaka Mainichi* and *Tokyo Nichi Nichi* invited Captain Kunishige Taketomi (武富邸茂大佐) of the Naval General Staff and Rear Admiral Goro Hara (原五郎) of the Naval Construction Headquarters to speak in Osaka on the 1936 crisis and the mission. The addresses by these two naval officers were printed in pamphlet form and sold out throughout the country. The gist of one of them is given below. According to May 1 issue of the *Gaiko Jiho* the Society for the study of the 1935 disarmament which had long been contemplated, was materialized and its opening ceremony was held on April 16 in Tokyo. The principal supporters who were present at the first gathering included Ex-Foreign Minister Yoshizawa, Baron Toshiatsu Sakamoto, Gen. Tatsuzo Idogawa, Adm. Keizaburo Moriyama, Hidejiro Nagata, Seiko Nakano and Ambassador Doichi Matsuda. The June 9 issue of the *Asahi* reports that the Privy Councillors, namely, Adms. Kato, Ono, Nomura, Yamamoto and a few other senior officers of the navy held a farewell meeting in honor of Adms. Takahashi, commander of the Second Fleet and Suetsugu, commander of the Combined Fleet. They utilized the occasion to discuss counter measures against the naval conference of 1935 and other naval affairs. These are among the most notable events of recent date relating to the 1935 naval conference.

With reference to the Government attitude, it is strongly opposed to Britain and America coming to an understanding beforehand as reported by leading Tokyo papers. As regards its attitude toward the other questions regarding preliminary negotiations and conference proper, the recent reports appearling in leading papers are summarized as follows :—

(1) *Japan's basic insistences.*—All treaty Powers by placing themselves on equal footing should recognize the equal and self-initiative right to armament. The principle of holding fast to ratio should be replaced by a new method of limitation. The naval Powers of the world should be divided into the Pacific Ocean, Atlantic Ocean, European and, if necessary, South American groups, and along with the general agreement special agreements should be made in each group. Aircraft-carriers ought to be abolished. If possible the islands of Hawaii, Philippine and Singapore should be included in the defenseless area. In order to prove that all these insistences are based on the principle of securing international peace the country is prepared, if necessary, to reinforce the Anti-War Pact with new peace pacts or agreements for the guarantee of regional safety among naval Powers (skeleton summary from *Tokyo Nichi Nichi*, May 27).

(2) *Questions to be discussed at the conference proper.*—It is the established schedule of the Japanese Government to have the items for discussion confined to naval questions (*Asahi*, June 3). Foreign Minister Hirota, in his public utterances, has already made it plain that Japan will not discuss Far Eastern questions at the international conference, though willing to do so with individual nations. But it is generally presumed in Washington that one of the problems of the preliminary parley will be whether such political matters as Manchukuo, China, and the Nine Power Treaty will be excluded from the next year naval parley (*Mainichi-Nichi Nichi*, May 27). According to close observers in New York, it is the will of the leading parties in the conference to bring up for discussion, regardless of the Japanese objection, the important questions of the Far East (*Mainichi-Nichi Nichi*, May 27).

(3) *Nations participating in the conference.*—It is the Government's intention to limit the scope of participants in the preliminary conference to signatories to the Washington Treaty, and not to positively approve of the reported attendance of Germany and Soviet Russia (*Mainichi-Nichi Nichi*, June 9). It is surmised that Japan may not object to the German entrance into the conference proper of 1935 on the ground that her rearmament has been recognized, whereas in the case of Soviet Russia the situation is different because she has little or no naval armament when the discussion is to be made exclusively on the naval questions. Japan will show strong opposition to the participation of the Soviets (*Tokyo Asahi*, June 6).

(4) *The time that the abolition of Washington Treaty is notified.*—Article 23 of the Washington Treaty stipulates that the notification of the abolition of the treaty is to be made two years prior to its expiration. The Foreign Office authorities appear to be inclined to attend the conference of 1935 without taking due procedure for the notification within this year, and if the parley fails they will forthwith proceed with the procedure. By so doing the treaty, according to their view, would wholly cease and determine sometime in 1937, a year later than if the notification is made at the end of this year (Tokyo *Nichi Nichi*, June 9).

1935 Parley Will Fail Unless Powers Revise Their Attitude

(The Asahi, May 26)

The preliminary parley among Japan, France and Italy would be little worthy of our notice,—but that between Britain and the United States arrests our deepest attention. However in some quarters they regard the preliminary arms parley between the two naval Powers as a means to exchange views on technical questions of the navy without touching on the affairs of political significance. But it seems that the actual state of things are represented by the remarks of the Washington correspondent of the New York *Times*, who stated, "That the United States will cooperate with Britain in opposing Japan's attempt at improving her ratio is evident from all reports available."

With regard to Japan's insistence on the equal right to armament and the revision of the ratio, it appears they are misrepresented among Britons and Americans to no meagre degree. By enjoying equal right to armement Japan does not mean to obtain parity with these Powers but that she, like all other Powers, is entitled to guarantee the security of her state defense. Under the existing system of ratio, however, Japan is forced to toil under unnecessary burden of armament expansion. At the time when the situations of the world have made a change and especially when conditions of the East sufferred a radical alteration, how could we, who stand in an entirely new atmosphere hold fast to the disarmament pacts which are the product of the situation of the past? If Britain and America lack due recognition of this fact and be reluctant to give sufficient consideration to this point, to hope to bring the 1935 conference to a successful termination is out of the question.

Preliminary Arms Parley Is Welcome

(The Mainichi-Nichi Nichi, May 27)

The naval disarmament conference to be held next year will have far greater actual effect on the international political situation than the disarmament of the League of Nations, since the Powers concerned are all leading naval countries.

For the purpose of realizing the success of the naval disarmament plan, the conference should not dwell unduly on the technical side, as was the case at London and Washington. It should not give the impression to other participants that Britain and America had everything planned to their liking. To achieve the weighty object of ensuring international peace and the reduction of the national burdens common to all, the participating nations must first clear the ground in such a way that they can proceed with absolute fairness and the absence of all traces of suspicion. The proposed preliminary negotiations have this as their great objective. The naval conference next year positively does not mean a simple re-writing or continuation of the Washington or London treaties. It must go deeper, to the root of the question.

Judging by reports from various sources it is surmised that the preliminary conference is likely to consider the political problems of the Pacific together with the naval issues. As long as the fundamental principle of armament equality remains, there should be no need of dealing with disarmament and political questions in related form. However, as far as our country is concerned we have no particular objection to this from the viewpoint that to have others perfectly understand the new situation in the Far East will materially help to promote the smoother progress of the conference proper, next year. We may expect, at the same time, that at the proposed preliminary parley a new concrete disarmament formula will be submitted, thus giving helpful suggestions for the conference and throwing light on its prospects.

A thorough-going plan, such as the reduction of size or abolition of battleships or aircraft-carriers, should be submitted.. As is

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accepted theoretically as well as practically, rational disarmament is impossible without sacrifice on the part of well armed states; Powers heavily equipped in arms must expect to make some sacrifice. While we heartily endorse the British invitation to the preliminary parley and hope for its success, we cannot refrain from asking those well armed states to consider anew their attitude toward the national armament itself.

Japanese Navy's Determination Is Firm as a Rock

(By Captain Kunishige Taketomi (武富邦茂), of the Naval General Staff; pamphlet, May 27)

I was invited by the *Osaka Mainichi* Publishing Company to make an address. Taking advantage of this opportunity I shall express part of my idea with regard to our navy.

We are placed face to face with a national crisis. It is an undeniable fact that the climax of the international difficulties Japan has to face lies in the future path of the country and not in the past or the present. As to the time of the arrival of the critical time, opinions differ, but it seems general opinions agree that it will come in the year 1935 or 1936.

As an important element which is expected to brew the international difficulties we may mention the country's formal withdrawal on March 26, 1935, from the League of Nations, because it is not improbable that the withdrawal will bring about the revival of the Manchurian question. As another important element we point out the possible trouble regarding the mandated South Seas Islands. For neither of these two questions the country can afford to make any concession.

At the coming naval conference of 1935 it is feared the Anglo-Saxons may approach us, flying their old banner of "supremacy." With such a show of power we can no more forbear. Consequently, we attend the parley with determination. Herein lies the possibility of the advent of climax of the international trouble.

Turning the eyes toward the north we find the Soviet Union ever bent on promoting her heavy industry and improving the military power, at the same time augmenting her military strength in Siberia and Visdivostok, which fact we can never make light of. Similarly, in China the invasion of foreign influence is surprisingly active, while across the vast expanse of Pacific waters the United States has brought the entire fleets to the Atlantic side through Panama to be steered back to the Pacific again sometime this November. In our eyes this is not an extraordinary movement of the navy and no amelioration of the tense international situation has been the result of the wholesale shift of the American fleets.

Judging from the foregoing circumstances we arrive at a conclusion that in two or three years we may be visited by a great national difficulty unprecedented in the history of the Empire. We must therefore be perfectly prepared to successfully meet such a national calamity.

We are in the period of preparation; the navy is in real earnest in order to get perfectly ready for the emergency. Of course we, the navy men, have discharged our duties seriously enough, but in no other time have they so earnestly put their hearts and souls into their work as at at present. In this connection I feel I may mention an episode. A certain sub-lietenant, who is an intimate friend of mine, was given audience by the Emperor before he left the country to stay abroad. On his way home from the Imperial Palace he dropped in at my house and said, "Tears fell down my cheeks in the Imperial Palace." Surprised, I asked why. The sub-lieutenant continued, "For the idea that was the last audience to be given in my life choked me to tears. We have but two or three years to live."

"Two or three years to live at the longest" is the belief in which the young naval officers go to their daily work. In such a spirit the navy men are doing vigorous, daring exercises.

The Crisis of 1936

(Bunget Shunju, June number, p. 240)

As a matter of course we insist on having an equal right to national defense. And as a natural step to this we recognize the need of fundamental recission of the outrageous naval treaties now in force. We are so adamant in this respect that if the other parties show objection to the wholesale revision of the treaties we prefer seeing them abolished. Those who dwell upon the situations in 1936 should be considerate enough to discuss in detail this nationally accepted conclusion. The apprehension which most of the nation entertains is what influence will the failure of the next naval conference bring upon her foreign relations as seen from military and political viewpoint. It is this one point that the people are most concerned about.

The just and proper naval limitation is what we are desirous of realizing, and in the same spirit we hope for a successful closure of the 1935 conference. This, however, cannot be expected unless we attend it armed with a disarmament plan constuctive enough to win the approval of the peoples of the participating countries.

At the international disarmament conference held late last year Japan proposed the total abolition of aircraft-carriers and the reduction of the tonnage of main vessels. We hope at the coming parley she will be sufficiently prepared to bravely propose the abolition of main ships.

Nanking Asked to Help Reclamation Work in Northwest

An appeal for Government assistance and guidance in the work of land reclamation in the North-west was made by General Chu Chi-ching, member of the C. E. C. and a former leader of the North-eastern Volunteers, at the weekly memorial service at Central Party Headquarters in Nanking, June 12. General Chu began by reporting on his investigation work in the reclamation areas set aside for former North-eastern Volunteers and their families in various districts of the North-west, including Wuyuan and Linho in Suiyuan province. He also spoke about the various agricultural products cultivated, and the water conservancy situation in the North-western reclamation area. After recalling the work of land reclamation in the last century, he announced a draft program for reclamation in the North-west. This program cannot be carried out with success, he said, except with the assistance and under the guidance of the Central authorities.

Definite plans for the development of the vast Northwestern Provinces of China on the basis of a report by T. V. Soong, prime mover in the National Economic Council, will be the center of the discussions at the general assembly of the Standing Committee of the N. E. C. The scheme, which has been mapped out and will be brought up for adoption by the forthcoming meeting aims at the development of irrigation facilities, the grazing industry, the providing of medical service for animals, the promotion of public health and sanitation and the establishment of co-operative societies to aid the farmers. The total of funds needed to carry out all these plans are set at $2,500,000, while a separate amount of $800,000 is earmarked for the construction of public highways throughout the Northwestern Provinces.

National Economic Commission Plans More Roads in Northwest

The National Economic Commission has drawn up plans for the construction of it second main trunk road in the North-west, now that the 22,000-mile-road in the south-east is nearing completion. It is understood that the north-western road will link up Sianfu with Lanchow in Kansu, a distance of 750 miles. The whole work is expected to be completed in two years. When the Sianfu-Lanchow Road is completed a road will be built linking up Sianfu with Hanchung in sonthern Shensi. This road is considered necessary for the development of the North-west. As to the 22,000-mile-road built under the Commission it is learned that 12,000 miles have already been completed, the remaining 9,000 miles are expected to be completed shortly.

Concerted Efforts Made to Revive China's Silk Industry

The Ministries of Finance and Industries are taking concerted measures for the recovery of the silk industry in Kiangsu and Chekiang, which has suffered greatly in recent years through the importation of artificial silk from abroad. Complying with a joint petition of the two Ministries, the Executive Yuan has approved the ten measures formulated by the said Ministries for the relief of the silk merchants and improvement of sericulture. The measures provide for the improvement cultivation of mulberry trees, raising of silk worms, reeling of silk, development of the trade of raw silk and establishment of co-operative societies for the promotion of the silk industry. The measures will be enforced under official supervision.

Better prospects for the silk industry in Shantung province are envisaged with the conclusion of an agreement for loans to silk merchants, arranged with Shanghai banking circles by the Shantung Provincial Department of Reconstruction, through the aid of Tsai Jen-pao, representative of the Shanghai silk merchants.

Besides establishing cooperative societies in the silk centres, fundamental plans for the relief of the industry in Shantung will shortly be worked out by the Provincial Department of Reconstruction in conjunction with Ho Shang-ping, of the Silk Improvement Committee of the National Economic Council.

Paper Factory to Be Built at Wenchow

Preparations are being rushed to completion for the establishment of the long projected paper factory at Wenchow, according to information from the Ministry of Industries. The factory will be a semi-official enterprise with private investments. Its capital has been fixed at $1,500,000, which the leading newspapers in Shanghai have agreed to subscribe in full. As soon as preparations are completed, the factory will be established and begin operation. It is understood that the factory will be devoted to the manufacture of news print for the first few years. This is considered urgent, as China now imports news print to the value of $12,000,000. annually.

Kiaochow-Tsinan Railway Freight Traffic Improves

Tan Yao-tsung, Special Commissioner of the Ministry of Railways, arrived in Tsinan June 17 from the Capital to inspect the through traffic services along the various railways in the North. It is learnt that as a result of the reduction of transportation rates, customs tariff and wharfage dues, the freight traffic on the Kiaochow-Tsinan line is improving.

Plans have been drawn up for the construction of a highway between Lanchow in Kansu and Sianfu in Shensi. The construction work will be done by troops stationed in eastern Shensi The new road is a part of the road construction schemes of the National Economic Council. Upon completion of the survey work, the various District Governments along the route will be instructed to provide labor for the construction of the section of highway within their jurisdiction.

Canton to Impose Business Tax on Foreigners

The Canton authorities have decided to impose a business tax on foreign merchants in Canton. A representative of the Canton Municipal Government called on the foreign consuls at Shameen June 15 to exchange views with them regarding the matter. The consuls have promised to reply after they have consulted their respective Ministers.

In pursuance of a resolution adopted at the 2nd National Finance Conference last month, the Ministry of Finance has formulated a set of measures for the readjustment of the Business Tax. If the calculation is based on the amount of business done (that is, the total turnover), the Business Tax is to be divided into three grades, namely, 5 per mille, 8 per mille, and 10 per mille. If based on the working capital, the Business Tax is to be divided into four grades, namely, 5 per mille, 10 per mille, 15 per mille, and 20 per mille.

Loan to Be Floated to Construct Stadium at Kiangwan Civic Center

The proposal to issue a Municipal Reconstruction Loan of $3,500,000 submitted by the City Government of Greater Shanghai was approved by the Executive Yuan, last week. The loan is to be secured upon a portion of the house tax and the entire income from the land evaluation tax. The loan will be entrusted to local Chinese banks as underwriters at a 20 or 30 per cent discount from the face value. Out of the loan of $3,500,000, therefore, the City Government expects to receive $2,000,000 cash. Half of the loan will be devoted to the construction of a stadium at the Kiangwan Civic Center, while the other half will be used for building a library and museum. According to plans already drawn up, the construction of the stadium is expected to be completed before October of next year so that next National Athletic Meet may be held in Shanghai.

A National Goods Emporium has been organized at Chengchow by a group of business leaders and Shanghai merchants. More than $150,000 worth of native goods from Shanghai are on exhibition.

Hupeh Government Cotton Mill May Be Reopened

The Hupeh Government Cotton Mill at Wuchang, founded by Chang Chi-tung, then governor of Hupeh, which has been closed for many years, will be re-opened for operation, if plans submitted by a group of merchants to the provincial government meet the approval of the authorities. Moves for repairing and reopening the old factory under private management were started sometime ago by the provincial government as a means to revive local industry and give employment to needy Chinese workers. Taking advantage of the move, a group of Chinese merchants have submitted plans for operating the factory. The provincial government has appointed Li Tsai-tsung as its representative to negotiate with the merchants on this matter.

Regulations Prescribe How Convict Labor Is to Be Employed

The Ministry of Justice has promulgated a set of regulations governing the employment of convict labor for settlement work in the frontier provinces of China. The right of sending men under sentences of imprisonment to the frontier districts to take up colonization work is vested in the Ministry of Justice. With regard to those sentenced by military courts, this right is to be exercised by the Ministry of Military Affairs. One of the regulations provides that convicts to be sent for colonization work in frontier districts must be over 20 years of age and "men of good character," (so says *Reuter's* translation of the *Central China Daily News* paragraph) strong enough to undertake agriculture. Land will be granted to a convict who chooses to stay after he has completed his sentence. The convict is entitled to take his family with him. The Government will assist him and his family with the necessary travelling expenses.

Chinese Railways to Have Refrigerator Service

An agreement for a loan of $1,500,000 for the institution of a refrigeration system on Chinese railways was formally signed at Nanking June 14 by Ku Meng-yu, Minister of Railway, and representatives of Shanghai banking circles. This loan will be used exclusively for the provision of cold storage equipment on various railway lines. Besides 40 refrigerator cars, each of which will be capable of accomodating 60 tons of perishable goods, 10 refrigerator cars of the same capacity will be purchased for the manufacture and supply of ice. Moreover, four large cold storage vaults will also be built at Nanking, Hsuchow, Peiping and Hangchow. Of the loan, $500,000 was pledged by the Shanghai Commercial and Savings Bank, and $250,000 each by the Bank of China, Bank of Communications, Kincheng Bank and Postal Remittance and Savings Bank.

Canton to Establish a Steel Works

The Canton Chamber of Commerce, supported by the provincial authorities, intends to establish a steel works in the near future. The new institution will be devoted to the manufacture of railway implements and it will be known as "Fu Hwa" Factory.

China Resumes Payment on Hukuang Bond Interest

The Chinese Government June 7 remitted funds to J. P. Morgan and Company for the discharge of interest due on the Hukuang bonds issued in 1911. No interest had been paid since December, 1929, and the resumption of payment was taken in New York as an indication that China still recognizes the validity of the loan. The loan was made primarily for the construction of a railroad from Hankow to Canton.

Government Railway Loans Total More Than a Billion Dollars

According to information from communications circles the total indebtedness of Chinese Government railways has reached $1,174,569,858. The Railway Ministry has instructed the various railways to take effective steps for the repayment of these debts.

Conservancy Work to Be Carried Out on the Grand Canal

The Grand Canal, which runs from Peiping to Hangchow, has been neglected for many years. As a result of this negligence the river bed has risen to such a height that water in the Canal overflows its banks whenever the rainy season sets in, causing much damage to the fields along its banks. The authorities of the various river conservancy bureaus and the Hopei, Shantung, Kiangsu and Chekiang Provincial Governments have decided to co-operate and carry out conservancy work along the Canal so as to avoid further flood dangers and to make the canal again navigable. Survey work is now in progress along the Canal and work is expected to begin as soon as funds are available for that purpose. The total expenditure is temporarily fixed at $9,000,000, which is to be raised by the Hopei, Shantung, Kiangsu and Chekiang Provincial Governments and the National Economic Council. The head office of the conservancy work is to be established at Nanking.

A decision to seek the cooperation of the Provincial Governments in the Yangtsze Valley for the prevention of floods was reached at the meeting of the Yangtsze River Conservancy Commission June 13. The Huai River Conservancy Board and the National Central University will be requested to cooperate in establishing a Central Hydraulic Experimental Station to study ways and means for the control of the river. Measures for the collection of conservancy fees and erection of water gauge stations along the course of the main river and its tributaries were also decided upon.

Soochow Creek to Be Dredged

A series of meetings of representatives of the Ministries of Interior and Communications, the Kiangsu Provincial Government, the Greater Shanghai Municipal Government, and the Yangtsze River Conservancy Commission have been held in Nanking recently regarding the scheme for the dredging of Soochow Creek. A decision has been reached that the Soochow Creek be divided into four sections so as to facilitate the work of dredging, which is to be completed in six years. The expenses for the work, it was further decided, should be fixed at $3 millions. Part of these expenses will be borne jointly by the Kiangsu Provincial Government, the Greater Shanghai Municipal Governmnt, the Ministry of Communications, and the Yangtsze River Conservancy Commission, while the remainder will be met by the Central Government.

Nantao Bus Service Administration Is Formally Opened

The official opening took place June 19 of the Nantao Municipal Bus Service Administration on Siehsze Road. Paul H. Hsu, the chief of the Bureau of Public Utilities of the City Government, presided. The guests were invited to take a circular trip around the city in four buses. Siao Ho-tsang, the engineer of the Administration and Edward Hsu, the vice Manager of Cathay Motors, and manager of the Chinese Tramways Company, were among those present.

There are sixteen buses in service at present,—Diamond T. No. 325, the latest types. Three routes are in operation. The first route runs between West Gate and Lung Hua, the second route across the city from West Gate to Shangwenmen, and the third is an around-the-city-circle-route. The present Municipal service replaces the old commercial bus service which went bankrupt in 1932 as a result of the Japanese assault on Shanghai.

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Japanese Navy Maneuvers in China Seas This Summer

Taking part in what was described by a high Japanese Navy official as "one of the few occasions for the Japanese navy to hold tactical mass maneuvers," about 180 Japanese warships and 200 aircraft will cruise the China Seas during this summer. The grand naval maneuvers, an annual event for the sea branch of Japan's national defense, will be held this year in an area comprising Japan proper, Korea and Formosa.

The war games will begin in the early part of August and last for about three monthes. Last year they were held in the south Pacific around the Japanese mandated territories and were witnessed by Emperor Hirohito. Prince Hiroyasu Fushimi, naval chief of staff, will supervise the practice this year. The first and second fleets, the nucleus of the Japanese navy, a part of the third, or overseas fleet, which is entrusted with patrolling the China coast and the Yangtze, and a specially-organized fourth fleet, will participate in this year's maneuvers, it was announced

Political Tension Lessens in Japan

Delay in the investigation of the scandal involving Hid o Kuroda, former vice-minister of finance, and other high finance ministry officials, has caused a considerable relaxation in the internal political tension in Japan. The need for more time to allow investigators to exhaust the apparently widespread ramifications of the case is causing Justice Minister Koyama to postpone making a report on the case to Premier Saito.

The Premier has repeatedly stated that he would not tender his resignation—taking the responsibility for the scandal until "all phases of the affair are fully revealed."

Premier Saito proceeded to the Imperial Palace after the regular Cabinet meeting June 16 and paid his respects to Their Majesties who had returned two days previously from the Imperial Villa at Hayama.

Two of the three vacancies in the Privy Council were filled June 15 by the appointment of two men with distinguished official careers in the persons of Dr. Tohru Shimizu, President of the Court of Administrative Litigation, and Ikunosuke Fujisawa, former Minister of Commerce and Industry.

Tokyo Foreign Office Feels that Brazil Has Betrayed Japan

The *Mainichi* says that the Japanese Foreign Office authorities are disappointed in the Brazilian Government, because it has failed to act up to its repeated pledges that it would see that the immigration problem in that country was disposed of satisfactorily for Japan. It is said that the Brazilian Government had repeatedly assured Mr. Hayashi, the Japanese Ambassador, of its best endeavors to see the question settled amicably and asked the Japanese Government to rely on its efforts. In spite of these assurances, the two-per cent quota measure was passed by the Brazilian Legislature by a large majority, and, worse still, it has become clear that the Minister of Agriculture and other important officials of the Brazilian Government were among its supporters.

Seventy U.S. Students to Attend Tokyo Conference

Seventy men and women students from various American universities, accompanied by faculty members from their respective institutions, will attend the first American-Japanese student conference which will open in Tokyo July 15. The conference, under the joint auspices of the Japan Federation of Students English Societies and colleges, will deal with economics, religion, education, politics and international relations.

Shigeru Kuriyama, Chief of the Treaty Bureau of the Japanese Foreign Office, departed from Tokyo June 19 on a three weeks' inspection trip in China and Manchukuo.

Sir Robert Clive, newly appointed British Ambassador to Japan, arrived in Yokohama June 16.

Direct radiophone service between Japan and Formosa was inaugurated June 20.

Foreign Office Wants to Extend Services

The Japanese Foreign Office will present estimates for the coming year far in excess of the Yen 20,000,000 budget it was allotted this year, a recent Tokyo message intimated. The revival of plans for the establishment of 15 legations and consulates, which were shelved because of lack of funds this year, will be demanded, it was said. Increases in allowances for expenses in connection with the coming Naval Disarmament Conference and the dissemination of information about Japanese arts and culture will also be asked. Consuls and commercial attaches are to be dispatched in increasing numbers to India, the Near East, Central and South America.

Koki Hirota, Minister for Foreign Affairs, is reported to have received enthusiastically the report of the proposal in Washington that leading Japanese statesmen should visit Honolulu for a goodwill meeting with President Roosevelt when the American Chief Executive visits there next month.

Two Japanese Ambassadors to Return

Nobutake Sato, ambassador to France, is due back in Japan August 1, traveling through the United States. Ambassador Saito stationed at Washington is sailing from San Francisco July 3 for Japan.

Egypt, Haiti and Siam Ask Japanese to Buy More of Their Products

The Japanese, hampered by various units of the British Empire by quotas which restrict the import of Japanese goods—Nigeria and Malta being the latest examples—are exerting themselves to make up this loss in other directions. One of the difficulties is that in many countries the trade balance is already in Japan's favor. Dr. M. Fawzy, the Egyptian Consul in Kobe recently drew attention to the fact that in 1931 Japan exported Yen 22,829,000 worth of goods, but imported only Yen 13,567,000 from that country. Exports were nearly doubled, totalling Yen 41,876,000, in 1932, but imports did not increase much, the total being Yen 19,787,000. Dr. Fawzy suggested to the Tokyo official that Japan should buy raw cotton and other products from Egypt in increased quantities. In order to facilitate trade, he added that it is important for Japanese vessels to call at Alexandria, in addition to Port Said. Haiti and Siam also are asking the Japanese to buy more of their products, the former suggesting particularly coffee and cocoa, and the latter broken rice and raw cotton.

Soviets Seize Japanese Crab Ships—Three-Mile Limit in Dispue

Two Japanese floating crab canneries operating at a point about 20 miles east of Cape Lopatka, Southernmost tip of the Kamchatka peninsula, were seized by a Soviet war vessel June 13.

One Japanese fishing sampan was halted and searched by a Russian coast guard vessel for an alleged violation of Soviet fishing laws in the vicinity of Cape Lopatka, southernmost tip of the Kamchatka peninsula, but later released. Another Japanese vessel, refused to comply with the signalled orders from the Soviet ship and fled.

Divergence of views between the Soviet and Japanese governments as to what consists territorial waters lies at the bottom of the seizures. The Soviets claim that its territorial rights extend 12 nautical miles off the coast line, while Japan contends that they apply to only three. There is no Soviet-Japanese agreement on the question. Official circles in Tokyo point out that Great Britain, the United States and more than 80 percent of world powers abide by the 3 nautical mile rule. They recalled that the United States had to enter into special agreements with various powers to acquire a right to search vessels for liquor at a point 12 miles out at sea in prohibition days.

Japan's Foreign Trade During May

Japan's trade in May with China and Manchukuo, including Kwantung Territory and Hongkong, according to an official announcement from the Ministry of Finance, was approximately as follows:

Exports	Yen 48,586,000
Imports	„ 33,867,000
Total	Yen 82,453,000

About Yen 1,200,000 worth of raw cotton was destroyed by fire in the No. 1 godown of the Yokohama branch of the Mitsubishi Warehouse Company during the night of June 17.

Bickerton, Alleged Communist Agitator, Flees From Japan

Professor W. M. Bickerton, the New Zealander who was released on bail in the sum of 200 yen towards the end of April, after having been under detention on a charge of Communistic activities in Japan, is reported to have left the country surreptitiously. He is stated to be on board a British boat bound for Canada. It may be taken for granted that his disappearance has been facilitated by the Japanese government, which in this way not only gets rid of an irritating alien, but obviates discussion of a difficult problem.

Governor General Wants Koreans to Be Conscripted

General Ugaki, Governor-General of Korea, when he visited General Hayashi, Minister for War, at his official residence June 7 expressed a wish for to have the military forces in the peninsula increased, on the ground that as the army strength there was comparatively small, considering the area of the country. His idea is to station troops in each of the provinces. The conscription system must be enforced in the peninsula in future he said, as he believed that the presence of troops in each province would serve the purpose of preparing the Koreans for this system by giving them object lessons and disseminating military ideas among them.

Japanese Tighten Financial Grip on Manchuria

The *Osaka Mainichi* of June 10 stated that Japan and Manchukuo have entered into an agreement whereby the basic principles for financial control of the two allied states has been established. This will make it possible for Japanese financiers to incorporate themselves in Manchukuo on the basis of the gold standard, and will allow circulation of Manchu currency within the Kuantung leased territory. The matter had been under investigation for some time in Japan by the Finance Office, and in Manchukuo by the Manchu Commerce Office and the liaison bureau of the Kuantung garrison. The negotiations were carried on by Yasuyori Takahashi, official of the Manchu Finance Office and Kakehi Koike, financial expert of the Kuantung garrison liaison bureau, representing Manchukuo; and by Chief Hisaichi Tsushima of the finance bureau, Finance Office, and Takeo Yumoto of the same bureau in charge of the treasury section. The agreement was pushed through, it is to be noted, during the visit to Manchuria of Prince Chichibu.

The salient points of the agreement reached, are:—To insert a clause in the Manchukuo corporation law whereby corporations on the gold standard can be established within the Manchu territory; to revise the existing Manchu commercial law to a point where it will have practically the same contents as the Japanese commercial law, and to allow circulation of Manchu currency in the Kwantung leased territory.

Heretofore, Japanese financiers desiring to establish a corporation in Manchuria had been required to establish two concerns in the eyes of the law, viz., one in Manchuria on the silver standard, and another by the Japanese law and on the gold standard. The new agreement will obviate the necessity for such procedure. The new system will permit the Dairen customs house to collect maritime duties in Manchukuo currency.

Bandits in Manchuria Continue Kidnappings—Wreck Troop Train

A "Manchukuo" subject was kidnapped in Antung, June 5 and is being held for ransom by a gang of 20 bandits under An Kwo-lung. The bandits escaped, although an attempt to bring them to bay was made by a combined force of Manchukuo and Japanese guards.

Secretary Honda and Commanders Osugi, Oishibashi and Fujihara, of Mengkiang, were kidnapped by bandits near Siapinshling, in Hweinaning, Mukden Province, during the first week of June.

Heavy casualties occurred when bandits derailed a Chinese Eastern Railway train at a point between Wangtaohotze and Shanchi, June 17, opening a withering fire upon the wreck. Arrival of an armored train from Moutankiang manned by Japanese troops repulsed the attackers.

After pulling up the tracks and wrecking a troop train going east, at a point 25 miles west of Hailin, a gang of bandits poured a fusillade of bullets on its inmates. The locomotive and four of the wagons fell over an embankment, and a battle between the troops and the bandits ensued. After an hour the bandits were routed. Four of their number together with two of the train crew were killed, and two Japanese soldiers were wounded.

A powerful band of brigands numbering several hundreds, exceptionally well-armed, attacked Shulan, a city five miles north of Kirin June 11. Police and volunteers put up a desperate defense against the marauders, who opened the provincial jail and freed every prisoner. They almost succeeded in capturing the government office building.

Manchukuo to Collect Relief Funds for El Salvaldor

El Salvador, the only country outside of Japan, to recognize Manchukuo, was visited by a hurricane June 8, which destroyed much property and caused the loss of many hundreds of lives. The Manchukuo Government is planning to collect relief funds. Cheng Hsiao-hsu, Manchukuo foreign minister, has addressed a cable to Dr. M. Miguel Araujo, foreign minister of El Salvador, expressing the sympathy of Manchukuo for the Salvadorean sufferers.

Japanese Army Hopes to Reduce Manchurian Expenditure

The Japanese army authorities are stated to be optimistic over the prospect of reducing the expenditure for the maintenance of the Japanese army in Manchukuo to a "reasonable and permanent" level by 1936. The expenditure for the maintenance of the Japanese army in Manchukuo in the last fiscal year was approximately Yen 146,000,000, and the authorities at the War Office estimate that it will be reduced by about Yen 12,000,000 for the present fiscal year.

Volunteer Commander Captured by Japanese

General Teng Tieh-wei, commander of the Chinese volunteers in Fengtien, has been captured by the Japanese troops. He was escorted to Mukden where he under went trial by Japanese and Manchukuo officers. It is understood that he was betrayed by one of his relatives. A recent Peiping dispatch stated that

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General Teng has already been secretly executed by the Japanese. General Teng started his anti-Japanese movement with only 500 men under his command. But a year later he had more than 50,000 followers.

Air Craft Maneuvers at Dairen and Port Arthur

Anti air-craft maneuvers were held in Dairen and Port Arthur, June 19 and June 20. Complete mobilization of citizens and service organizations and the marking out of danger zones formed part of the demonstrations. Rehearsals carried out on the night of June 16 included two blasts of sirens, which were taken by the inhabitants as a signal to extinguish all lights as if an enemy were approaching. Airplanes conducted actual bombing of targets on land and sea June 17.

Manchukuo may have the most powerful radio broadcasting station in the Far East by October 1, if the work at Kwanchengtzu proceeds according to schedule, Seizo Kato, chief of the Broadcast division of the Hsinking Radio Administration, stated in Changchun June 16. Mr. Kato had just returned from Japan where he made tests of the 100-kilowatt transmitter ordered for the station, which will cost Yen 600,000.

Japanese Ex-Service Men as Manchurian Immigrants

The Japanese are continuing their immigration policy in Manchuria. According to latest reports from Manchuria the Japanese have marked out Hailar, Kiamutze and Heiho in Heilungkiang as districts for armed immigrants, and 10,000 armed ex-service men are to be sent to each of the three above mentioned places. These immigrants are to cultivate land in that area in time of peace, but they can immediately be turned into soldiers if war breaks out. The Manchukuo Government has appropriated $8,000,000 to meet the expenses required for this immigration.

Chinese Police Are Allowed to Enter Luantang

The dispatch of 8,000 newly-organized peace preservation corps men to suppress bandits in the Luantung demilitarized area is soon to become a reality, following the return Colonel Shibayama from Mukden. Colonel Shibayama of the Japanese Legation recently proceeded to Chengteh where he received instructions fron the Kwantung Army leaders in connection with the dispatch of the fresh Chinese police to Luantung. It is understood that the Kwantung leaders have agreed to the stationing of a number of fresh Chinese police units in the bandit-infested districts. In the meantime, "Manchukuo" police at Nantienmen started a general withdrawal June 14, after months' of negotiations between the Chinese and Japanese authorities.

The Importance of Dolonor

(*From the Sin Wen Pao, Shanghai*)

It must be pointed out that the Japanese occupied Dolonor at the the time of the Feng Yu-hsiang uprising and they occupied Kuyuan under the pretext of suppressing bandits. The Japanese have already captured four Chinese provinces and they should never be allowed to hold these two Chahar districts. Dolonor is the key to Outer Mongolia. If China abandons Dolonor it means that China is prepared to give up Outer Mongolia for good. Last year the Chinese authorities were still negotiating with the Japanese for the return of Dolonor, but now the authorities seem to have forgotten about the matter. The Japanese, seeing the indifferent attitude of the Chinese Government, have started to make Dolonor the base of their future aggressive plans for Outer Mongolia. So the Dolonor question is extremely important, so far as China's relations with Outer Mongolia are concerned. Now that many outstanding issues between China and Japan in North China are about to be settled it is the right time for the Government to bring up all the above-mentioned problems for fundamental settlement with the Japanese."

Soviets Push Military Preparations in Siberia

Intensive military preparations over all the Siberian Railway, formidable concentrations of every variety of arms from Irkutsk to Manchuli and trains rushing East, packed with troops and munitions, are reported in a dispatch published in the *London Daily Telegraph* from Manchuli dated June 13, sent by its correspondent upon his arrival there from Europe. At Chita, the headquarters of General Galens (Bluecher), Commander-in-Chief of the Soviet Far Eastern Army, the *Telegraph* correspondent saw 50 fighting planes, nine new hangars with a capacity each of 40 small or fifteen big airplanes, many oiltanks and new barracks. He says that the Soviet authorities are not making any attempts at concealment, but they emphasize that their preparations are only for purposes of defence. The correspondent says he was previously skeptical, but is now convinced of the magnitude of Russia's Far Eastern forces, which are credibly reported to consist of 4,000 airplanes and 300,000 troops.

According to reports in foreign circles in Peiping, the Soviet Far Eastern Army Headquarters has completed construction of a series of barracks in Outer Mongolia, which provide accommodation for nearly 20,000 men. Sixty-three officers are also stationed there. It is planned that the barracks will house a mixed force of infantry, cavalry and artillery units equipped with 42 field pieces, 7 anti-aircraft guns, 270 heavy and light machine guns, 12 bombing and fighting airplanes and 18 army transportation trucks.

Soviet Troops to Hold Maneuvers in Siberia Next Month

According to information received from Japanese sources the Soviet troops in Siberia will hold war maneuvers on a gigantic scale at the beginning of the next month. Special stress will be laid on air defences, it is stated.

New Textile Enterprise in Novosibirsk

The construction of a new large textile enterprise has been started at Novosibirsk. The enterprise will consist of a factory of knitted underwear with the annual capacity of eight million pairs of underwear, a wool-knitting mill with 150,000 spindles, a glove factory with on annual capacity of 25,000,000 pair of gloves, and a dyeing factory.

10,000 Jewish Settlers for Birobijan

Ten thousand Jewish settlers from all countries of the globe will go to the Birobijan Jewish National Autonomous Province this year. Of these, 2,000 will work on collective farms, the rest in industrial enterprises and workshops. Jewish settlers in Birobijan include emigrants from the Argentine, Germany, U. S. A., Poland, France, Palestine, Lithuania, and other countries.

Buryat-Mongolia Republic Makes Great Progress Under Soviets

A recent *Tass* message gives details of developments in the Buryat-Mongolia Republic. Twenty-three million roubles invested in industrial construction during the First Five Year Plan provided the Republic with two printing shops, an auto repair plant, a machine-building plant, a power station. One hundred million roubles invested this year are speeding up the construction of a locomotive and car repair plan which will employ 14,000 workers, of a glass plant with a yearly output of 12,000 tons of glass, of a meat combine with an annual output of 70,000 tons, of a huge coal mine with output of 250,000 tons this year, and others. Construction of two sawmills was the first step toward organizing utilization of the huge timber resources of the country (78 per cent of its territory is covered by forests). Much progress has also occurred in agriculture. Sixty-five per cent of all homesteads have joined collective farms, which now dispose of 83 per cent of the arable land and 62 per cent of all cattle. Fifteen machine-tractor and 19 hay-mowing stations have been organized in a country that did not use a single tractor in 1928. In 10 years, the area sown increased from 180,000 to 376,000 hectares. One result of these developments has been that 12,000 out of 46,000 nomad families have settled on the land.

Negotiations for Sale of C.E.R. Without Result So Far

Foreign Minister Hirota of Japan may call a three-sided conference between Mr. Yureneff, Soviet ambassador, Chuichi Ohashi, Manchukuo vice-minister of foreign affairs and himself, by which he will make an attempt at mediation to bring the protracted Chineee Eastern Railway sales negotiations to a close, it was indicated in a *Rengo* message from Tokyo June 16. The sales discussions have been going on intermittently since October last year and little progress has been shown. The Soviet delegation is still withholding its reply to the proposals made by Manchukuo on May 14 and has shown no indications that it will make its attitude clear in the near future. Such delays, Mr. Hirota feels, are detrimental to both parties, hence his plan to hold a conference.

Konstantin K. Yureneff, Soviet Ambassador accredited to Japan, called on Foreign Minister Koki Hirota at the Foreign Office in Tokyo June 16. While the strictest secrecy was being maintained regarding their conversation, which lasted for about an hour, it is surmised that it related to the Chinese Eastern Railway sales negotiations. The discussions between Manchukuo and Soviet Russia regarding the sale of the C. E. R. have been at a virtual standstill for a month.

Central Military Academy Holds Commencement Exercises

Commencement exercises at the Central Military Academy in Nanking were held June 11. The ceremony was presided over by General Chiang Kai-shek, President of the Academy. Over 3,000 cadets and members of the faculty of the Academy were present.

The graduating students consisted of members of the 2nd Military Officers' Training Class, the 2nd Higher Education Class and the 10th Class of the Academy. After the formal opening ceremonies, the diplomas and prizes were distributed by General Chiang. Addresses were delivered by Shao Yuan-chung, on behalf of Central Party Headquarters; Teng Chia-yen, on behalf of the National Government; Wang Ching-wei, President of the Executive Yuan; General Tang Sheng-chi, President of the Military Advisory Council; General Fu Tso-i, Chairman of the Suiyuan Provincial Government; General Chiang Kai-shek; and Tai Chi-tao, President of the Examination Yuan.

B.A.T. Pays $55,000,000 in Duties and Taxes in Six Months

According to information obtained by the *Chekiai Agency* from the Hankow office of the B. A. T. Company, during the past six months the Company's payments in duties and taxes on its business in China totalled $55,000,000. The Consolidated Tax Collections from the Company ranged from about four to seven million dollars per month during the past year.

Official statistics show that the B.A.T. pays something more than half of the total of the consolidated tobacco taxes paid to the Chinese Government.

Mediation in B.A.T. Pootung Strike Fails

Mediation in the strike at the Pootung "new" factory of the British Cigarette Co., has failed. O. K. Yui, Secretary-General of the City Government, delegates of the Ministry of Industry, Ministry of Finance, Bureau of Social Affairs, and of the Shanghai District Kuomintang met with representatives of the laborers and the employers, but failed to effect a solution of the dispute. A relatively small force of Russian laborers has been employed at the factory since the strike began.

Some 400 pickets, armed with swords, iron bars and wooden poles are keeping a cordon around the B.C.C. "new" factory, in Pootung, as a result of rumors that the plant was to be reopened with new hands.

Three principles dealing with the B. C. C. strike were decided upon at a meeting called by the Executive Yuan in Nanking June 16. They are: the B. C. C. authorities should be asked to re-open the No. 1 Factory; in the event that the re-opening is utterly impossible, the management then should be asked to reinstate the unemployed workers in other factories; and gratuities should be paid to the remnants of the unemployed workers after reinstatement. The meeting was attended by M. K. Tuan, councillor of the Executive Yuan, Hsu Wen-tien, Chief of the Labor Department of the Central People's Movement Committee, Tong Chi-fei, Chief of the Labor Department of the Ministry of Industry, Wn Chi-ting, representing the Ministry of Finance, and Ku Yi, secretary.

Dr. J. Heng Liu Proceeds to Changsha on Opium Suppression Mission

Dr. J. Heng Liu, Director of the Public Health Administration and concurrently Chairman of the National Opium-Suppression Commission, proceeded to Changsha this week to inspect sanitation and opium-suppression work in Hunan province. He was accompanied by Dr. Yen Fu-ching, Dean of the College of Medicine of the National Central University and concurrently Superintendent of the Chinese Red Cross Hospital in Shanghai, and a foreign technical expert.

A total of 6,000 ounces of opium was burned at the new railway station in Tientsin June 13. The consignment was recently confiscated by the Customs authorities.

The monthly expenses for the Kiangsu Provincial Opium-Supppression Commission were fixed by the Kiangsu Provincial Government at its meeting June 12, at $6,980.

Ford V-8 Victoria on View in Shanghai

The Ford V-8 Victoria, newest and smartest of the 1934 Ford body types, is now on display at the showrooms of Bills Motors Federal Inc., U.S.A., local Ford dealers. Aside from its attractive streamline contours, which reflect the latest continental mode, the new Victoria has two unique features, one a new divided three-passenger front seat, and the other a large luggage compartment at the rear of the car. The new body type has de luxe appointments throughout. The interior is unusually spacious. Among the many other body refinements in the new Victoria is the clear-vision ventilating system which is built into the body.

British and Russian Gamblers Fined in Shanghai Courts

J. Read and W. A. Hawkins were fined $200 each by Magistrate I. T. Morris in the British Police Court in Shanghai June 18 upon being found guilty of conducting a gambling establishment at Apartment 9, 363 Avenue Foch, on the night of May 9. Mihail Makaroff, 28-year-old unemployed Russian who was arrested at 1.40 a.m. on Sunday morning, June 10, when the police raided a roulette gambling den at 204 Seymour Road, allegedly operated by J. Soriano and Marcelly, French citizens, was fined $500 with the alternative of serving 250 days imprisonment for public gambling by Judge Wong in the First Special District Court on the same date.

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Japan-Netherlands Indies Negotiations Make Little Progress

A recent message from Batavia indicated the Jonkheer B.C. de Jonge, governor-general of the Netherlands East-Indies, is taking a leading part in the preliminary discussions to the business sessions of the inter-governmental trade conference between Japan and the Netherlands, now being held in that city. The negotiations at Batavia have so far borne little fruit. Recent reports from Tokyo stated that the Japanese delegates will demand the abolition of the two decrees—the business restriction and the importers permit acts—promulgated with the object of repressing the 7,000 Japanese residents and traders in the Netherlands-Indies. If this demand is not accepted, it is said, the Japanese Government means to open diplomatic negotiations with the Netherlands Government, regarding the whole matter as political, and not merely a trade issue.

Japan will oppose any measures to place Japanese imports to the Netherlands East Indies on a quota basis governed by a principle of barter, Foreign Office officials in Tokyo June 16 indicated. The ground for their opposition is that such measures would violate the "most favored nation" clause of the existing treaties between Japan and the Netherlands.

Mr. Nagaoka, head of the Japanese delegation in an interview on his arrival in Batavia June 3 said: "It is greatly to the credit of the Netherlands that in pursuance of their admirable policy of colonization they have brought the Netherlands Indies to their present state of prosperity by diligently exploiting the rich natural resources of territory, and ingeniously making use of the instruments of modern civilization. At the same time it must be admitted that the Japanese also have their own history of over 2,000 years' standing, and it is not only the natural resources of the island, but the original native culture which has contributed to the national prosperity and welfare of the Netherlands for the past two centuries." Japan and the Indies each produce what the other lacks, continued Mr. Nagaoka. The distance between them being only 3,000 miles, it is much easier for either of the two to import goods from the other than to do so from any European country. Such were the ties of common interest between them, vouchsafed, he believed, by providence, and not to be broken by man. It was only by helping the natural growth of these ties that the prosperity and welfare of the two countries could be promoted.

Indo-Japanese Commercial Treaty Signed in London

As the result of a series of negotiations between Tsuneo Matsudaira, Japanese Ambassador at London, and the British Government authorities, the Indo-Japanese Commercial Treaty, which met with a hitch in connection with its applicable areas, was scheduled to be formally signed during this week by Mr. Matsudaira and Sir John Simon, British Foreign Secretary, without amendment.

Japanese Silks Flood British Market

The Secretary of the British Silk Federation, in a statement issued in London June 6 pointed out that in the first four months of this year Japanese silk exports to Britain amounted to 6,600,000 square yards compared with only 3,600,000 square yards in the same period last year, while the exports of all other countries declined. He also stated that in 1932 Japanese exports of rayon to Britain totalled 257,000 square yards whilst in 1933 they soared to nearly 2,800,000 square yards. This year they would probably be still higher. Emphasizing that tariffs are useless against the low Japanese prices, he said that quotas were the only effective means of meeting the competition. The Federation, however, did not desire that these should include the traditional Far Eastern silk but only European styles, which Japan was now assiduously copying. He expressed surprise that the Chinese Government had not devoted itself to remedying the deterioration of the Chinese silk industry, for Chinese silk was the finest in the world.

Why Cotton Trade in China Is Depressed

The Shanghai *Shun Pao* comments :—"The main cause of the cotton trade depression in China is a diminishing market for cotton goods. Since 1929 the Powers have followed at policy of reducing the amount of foreign imports and increasing their exports as much as possible. Their colonies are following a similar policy. In former years a part of China's cotton goods went to the Dutch East Indies and the South Sea islands. But as a result of the general economic depression, which considerably reduced the purchasing power of the people, and the vigorous dumping policy of Japanese manufacturers, Chinese cotton soods have practically lost their market in the southern islands. At the same time the dumping of foreign goods in China has deprived Chinese cotton manufacturers of their market at home, as foreign products are sold at a much lower price than home made goods. The matter was rendered worse because foreigners have established many factories in China to manufacture goods for Chinese consumption. With their excellent workmanship and the low cost of Chinese labor, they easily outdo Chinese producrs."

U S. Raw Silk Freight Rate from Shanghai Is Reduced

A reduction of two cents per pound in the raw silk freight from Shanghai to the United States was announced in N. Y. June 13. The new rates are $2 per 100 pounds to the Pacific Coast, and $4 all the way by water to Atlantic ports.

Chang Kia-ngau Asks for Sympathetic Attitude Towards Szechuan

Chang Kia-ngau, managing director and general manager of the Bank of China, in a recent interview discussed the situation in Szechuan province, from a tour of which he had just returned. Szechuan he said is suffering from evils unique, in addition to abnormal conditions prevailing in other provinces such as political maladministration, heavy taxes, hardships of the rural population, low purchasing power, an unfavorable balance of trade, and financial stringency.

Among the worst factors responsible for the current difficulties in Szechuan, he said, comes first the feudalistic system of dividing the province into water-tight defense areas, each of which takes on the aspects of an independent nation, having its own system of taxation, monies and other public institutions. The collection of land taxes years ahead of time and the enforcement of exorbitant levies of the likin nature, made necessary by the rival body of soldiers under each of military leaders, are creating havoc with the farmers and merchants in the territory, Mr. Chang pointed out. There is no uniform monetary system. While other parts of the country have all swung to the standard silver dollar, Szechuan still clings to its own currency, featuring an inferior variety of silver dollars, 100 of which are only worth $90 in Chinese dollars in circulation elsewhere in China.

Covering an area as large as Germany, Szechuan will become a large market for industrial Shanghai, Mr. Chang said. If conditions in the province should settle down to normalcy, people there would be able to consume all cotton yarns produced by cotton mills in Shanghai. But to make Szechuan a market for Shanghai products, the first thing to do is to increase the purchasing power of the Szechuanese through increase in production, and at the same time, to help the sale of Szechuan products outside so that the province can have a healthy balance of trade with other parts of the country or foreign countries.

The Bank of China general manager also urged that technical personnel in Shanghai and other leading cities should go to Szechuan to help the natives there in the designing of reconstruction programs. As soon as political and financial conditions improve, a stream of capital should be directed to flow gradually but steadily into the province from financial centers like Shanghai with a view to increasing the production activities in the land.

Mr. Chang concluded by expressing the hope that industrial circles here and elsewhere in China would take a sympathetic and helpful attitude toward Szechuan and do whatever they can to assist and direct the western province in progressing.

Chinese Railways Employ 81,348 Workers

Up to the end of last year, altogether 81,384 workers were employed in the Chinese government railway services, according to statistics compiled by the Ministry of Railways. The wages for the workers total $51,496 daily, the statistics reveal.

The number of workers in the various government railways given below :—

	Railways	Number of workmen
1.	Nanking-Shanghai and Shanghai-Hangchow Ningpo	9,454
2.	Tientsin-Pukow	13,475
3.	Peiping-Hankow	15,044
4.	Peiping-Liaoning	10,010
5.	Peiping-Suiyuan	9,039
6.	Lung-Hai	6,118
7.	Kiaochow-Tsinan	6,215
8.	Hupeh-Hunan section of Canton-Hankow	4,233
9.	Chengting-Taiyuan	2,198
10.	Taokow-Chinghua	1,260
11.	Nanchang-Kiukiang	1,131
12.	Kwangtung section of the Canton-Hankow	2,118
13.	Canton-Kowloon	1,053

Finance Ministry Presses for Revision of Commercial Tieaties

In a recent petition to the Executive Yuan, the Ministry of Finance recommended the immediate organization of a joint Committee to devise measures for revision of the Sino-British, Sino-American, and Sino-Japanese Commercial Agreements. The Committee, the petition states, should be composed of representatives of the Ministries of Foreign Affairs, Communications, Industry, and Finance.

Preliminary Naval Parleys Start in London

The preparatory conversations on naval disarmament commenced in London this week. Tsuneo Matsudaira, Ambassador to the Court of St. James, is acting as Japan's representative; Norman Davis represents America. The Japanese program generally is as follows: General reduction in total tonnage of naval powers; abolition of the present system of ratios and establishment of limitations upon the total tonnage which each nation may possess; equal armaments; and maintenance of national defence autonomy. The Japanese naval leaders will recommend during the preparatory talks that the 1935 naval conference be held either at The Hague or Brussels, opposing either Washington or London as the locale of the parley. If either of the two cities which they will suggest should prove unsatisfactory, Japan will propose that Paris be made the site of the conference. Admiral Ohsumi, Minister of Navy, and his principal aides are opposed to holding the conference in any country signatory to the London and Washington pacts. It is also intimated the Japanese delegates will insist that the conference be set back until April, 1935, instead of January, as suggested by the British Government.

Rear-Admiral Yasuo Ko, Japanese Naval delegate at the General Disarmament Conference at Geneva, has been appointed an expert for the preliminary naval talks at London between Japan, Great Britain and the United States.

Litvinov Speaks on the Necessity of General Peace Pact

Speaking at the session of the Disarmament Commission, at Geneva June 13 the People's Commissar of Foreign Affairs of the U.S.S.R., Mitvinov, emphasized that the problem of security cannot interest Europe alone, but represents essentially a problem of world magnitude. It is altogether wrong to substitute regional pacts for a general, whether European, or world pact. "One state can violate peace, but only all states together can prevent war. The prevention of war must therefore interest all states," concluded Litvinov.

Japan Starts Reconstruction of Destroyers

In accordance with a decision reached after surveys by naval investigating committee, the Japanese Navy June 14 started reconstruction of twelve destroyers built, or under construction, as a part of the first naval replenishment program. Admiral Ohsumi, Minister of Navy, has ordered the rebuilding and modernization of the destroyers *Hatsuharu*, *Nenobi*, *Wakaba*, *Hatsushimo* and *Ariake*, which already are in actual service. He also ordered alterations in the design of the destroyers *Yugure*, *Shiratsuyu*, *Higure*, *Murasame* and three others now under construction.

The launching took place of a new submarine boat of special design, Yi-70, at Sasebo Naval Dockyard, June 14, under the personal supervision of Vice-Admiral Mitsumasa Yonai, commander-in-chief of Sasebo Admiralty Port.

Plans for the expansion of the Japanese army air corps which were pigeonholded in the last session of the Diet in favor of agricultural relief measures and the second naval replenishment program will be pushed by the army at the coming session of the Diet in the form of a supplementary budget. The Japanese army at present has almost 584 machines in use, 253 in reserve and 300 under construction. 6,900 officers and men are enlisted in the air branch.

U.S. Is Owed $478,000,000—Gets $166,535

On June 15 there was due to the United States government for war debts U.S. $478,000,000. Out of this sum only $166,538, was paid—every country defaulting excepting Finland.

Japan's Diplomacy and the Naval Conversations

The Shanghai *Shun Pao* comments:—Even if the two Anglo-Saton Powers could present a united front against Japan the most they could get would be maintainence of the status quo. But for many reasons the United States and Great Britain cannot very well unite owing to the existence of many conflicting interests. In view of the present relations between the two countries Japan is now in a position to master the Pacific, especially as she has already withdrawn from the League of Nations. Japan is now planning to extend her influence southward and to the west of Hongkong. The real motive of Japan's contemplated proposal that the two western Powers should reduce their tonnage of warships is that Japan wants to see the naval strength of these two countries in the Far East reduced. With the present naval strength of the United States and Britain in the Far East they could hardly attack Japan. Japan would have little difficulty in destroying the warships of the two countries in the Pacific. What chance would the two countries have in the Far East if their naval strength war further reduced? Naturally America and Britain cannot entertain the Japanese proposal.

Germany Declares a Moratorium

The Reichsbank in Berlin June 14, declared a six months' moratorium on cash transfer of all middle and long term debts beginning on July 1. The official communique stated that the moratorium will also include the Young and Dawes Loan "until further notice."

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Pirates Captured When They Descend Upon Peitaiho

Pirates made a descent on Peitaiho, North China beach resort, June 15, after having committed depredations at various other points. Twenty-two pirates, who are alleged to have hailed from outside the Great Wall, visited Chingwantao, commandeered three fishing-boats and attempted to capture a grain-boat off Lighthouse Point, Peitaiho. Two of the fishing-boats escaped during the clash between the pirates and the grain-boat and their crews landed at Peitaiho. A telephone call was put through to the Customs authorities at Chinwangtao, who immediately dispatched a patrol-boat to the scene. The pirates were forced into Rocky Point Beach, but refused to surrender, whereupon the patrol-boat opened fire on them and then captured 11 of their number. Hans Berents, head of a Norwegian firm of architects in Shanghai, gave valuable assistance in the capture. The master of one of the junks was shot and killed by the pirates when the patrol-boat opened fire. The body of one the pirates was later washed up on the rocks, while another of the miscreants, who was badly injured, is not expected to recover.

British Ship Pirated---Six Foreigners, 20 Chinese Kidnapped

Six foreign and 20 Chinese passengers were kidnapped by Chinese pirates who attacked the British steamer *Shuntien* June 18 off the mouth of the Yellow River on her way from Tangku to Chefoo. The steamer was looted and one foreign passenger was wounded. The *Shuntien* afterwards continued on her journey and reached Chefoo June 19. The passengers who were kidnapped were taken ashore in junks. British, American and Japanese destroyers are assisting in the search for the marauders.

Of the 26 hostages taken by the pirates, 20 are Chinese, five British, and one Japanese. The foreign captives are :—Graeme D. Nicholl, of Shanghai : Lieutenant P. L. Field, of H.M.S. *Oswald;* Lieutenant J. D. Luce, of H.M.S. *Osiris* : George L. Brand, of Aberdeen, 2nd Officer; Henry McDonald Watson, of Banff, Scotland, 3rd Engineer; and Tomuchi Yamamoto, a teacher of of Chinese at Tongshan. John Pryde Ross, who was shot by the pirates when they rushed the bridge of the ship, lies in the American civil hospital at Chefoo in a critical condition.

The news that a Japanese was among the captives brought the Japanese cruiser *Tenyu* rushing to Chefoo from Dairen at full speed to assist in the search for the pirates.

The pirates are stated to be hiding in the Shantung hills. Gen. Han Fu-chu, has sent troops to assist in the search.

The pirated boat is the newest and finest of the fleet of Butterfield & Swire, the largest shipping company of any nationality operating a service in Chinese waters. Although no cargo was removed from the ship, the passengers were very thoroughly looted, the pirates exchanging their own rags for the voyagers' raiment, with the consequence that some of the outlaws were garbed in a curious assortment of foreign clothes, including dress suits and patent leather shoes.

Later—All British captives were rescued late in the afternoon June 20 by British destroyers aided by airplanes.

Aged American Missionary Shot Dead by Bandits Near Peiping

Dr. J. H. Ingram, a 79-year American medical missionary connected with the American Board Mission, was shot and killed early in the morning of June 15 by bandits operating in the Western Hills, near Peiping. Mrs. Ingram and their three grandchildren escaped and arrived safely at Peiping the same morning. The Ingrams were spending the summer in a converted temple at Shihchingshan, where numerous foreigners have summer homes. Dr. Ingram had resided in China for 46 years. He had survived the Boxer uprising, numerous other disturbances and and a series of epidemics, only to meet his death during what had been a placid vacation until the bandits appeared. One of them presented a pistol to his head while he was lying in bed at night and demanded money. Dr. Ingram jumped up to grapple with the men. He was shot dead through the head in the ensuing encounter.

One of Dr. Ingram's daughters, now Mrs. William B. Mayer, before her marriage was for several years tutor of the present Empress of Manchukuo. Mrs. Mayer now resides at Edgeworth Arsenal, Baltimore, where her husband is an army captain. Another daughter, Miss Ruth Ingram, is now at Barnes Hospital in St. Louis.

The United States Minister Nelson T. Johnson immediately called on the Chinese authorities to protest the shooting. The Minister urged prompt steps to restore law and order in the Western Hills district, where the lives of many other Americans would be endangered by continued bandit operations.

General Ho Ying-ching, acting chairman of the Peking Branch Military Council, has offered a reward of $2,000 for the capture of the murderers. General Yu Hsueh-chung, governor of Chihli province, has sent his secretary with a detachment of troops familiar with the district of Shihchingshan, in the Western Hills, where Dr. Ingram lived, to search for the outlaws. The troops, under the command of a lieutenant, left for Shihchingshan accompanied by the district magistrate and Whitney Young, United States Consul from Tientsin.

A joint search for the robbers is being conducted by the Gendarmerie Headquarters for the Peiping-Tientsin Area, the Peiping Municipal Bureau of Public Safety, the Wanping District Government and one battalion of the 116th Division. In an order to the District Magistrate of Wanping, the Hopei Provincial Government requires that the robbers be brought to book within five days.

Railway Official Shot Dead in Ricsha in Tientsin

While travelling to his office in his private ricsha at Tientsin, in the morning of June 19, Kang Ming-chen, chief of the Peiping-Liaoning railway, was shot and gravely wounded, succumbing in the hospital an hour later. The attack occurred on Asahi Road, the main street of the Japanese Concession. The railway official slumped to the ground gravely wounded, the bullet having entered the back of his head, The ricsha coolie shouted for help but by the time the police arrived on the scene, the assailant had fled. The cause of the attack is at present not known.

U. S. Employees in China Granted Adjustment in Exchange Rate

All employees of the U. S. Government in China—this includes every one from the Minister to the humblest clerk, sailor or soldier, have been granted an adjustment of their pay retroactive as from July 15, last year. A fixed rate of exchange of Chinese $4.25 to one U. S. dollar has been adopted for the whole period, and the U. S. government will reimburse each individual for the difference between the actual rate at which payment was made and the 4.25 rate. On July 1 a restoration of five percent in the pay cut, introduced shortly after the Roosevelt administration came in, will come into force. The accrued sums are to be paid in a lump sum at the end of this month.

Wing On A. D. C. Gives Performances to Aid Child Welfare

The Wing On A. D. C. staged three successful performances at the Carlton Theatre, Shanghai, during the week, in support of the National Child Welfare Association. Dr. H. H. Kung, vice-president of the Executive Yuan and concurrently minister of finance, attended the show, as honorary President of the N.C.W.A. During the intermission Dr. Kung made a short speech before the audience. After thanking the audience for its support, Dr. Kung said that the Association has been in existence for the past six years and the importance of its mission is being gradually recognized by the public. Dr. Kung pointed out that relief and care of poor children and orphans in society is a great and important social work.

Director of Engraving Bureau at Peiping Is Dismissed

With regard to the impeachment brought by the Control Yuan against Shen Neng-yi, Director of the Engraving Bureau at Peiping, which is under the Ministry of Finance, the Executive Yuan, in a communication to the Control Yuan, states that Mr. Shen has already been dismissed by the Ministry. Mr. Shen was accused of corruption and acceptance of bribes.

The Committee for the Disciplinary Punishment of Public Functionaries, having found Wu Lung-yueh, Special Commissioner of Finance for Kiangsu, guilty of making false reports, has decided to record one demerit against Mr. Wu.

An impeachment has been brought against Wu Chu, Procurator of the District Court in Hengyang, southern Hunan, by Tien Chiung-chin, member of the Control Yuan. Mr. Wu is accused of corruption. The charge having been substantiated by subsequent investigation, the case has been referred to the Committee for the Disciplinary Punishment of Public Functionaries for decision.

An impeachment has been brought against a number of high military commanders—including General Hsi Wei-ying, commander of the Honan Provincial Peace Preservation Corps, General Ho Chu-kuo, commander of the 27th Army, Lieut.-General Yao Tung-fan, commander of the 115th Division, Lieut-General Wang Ming-chi, commander of the 3rd Cavalry Division, and Lieut.-General Pai Feng-hsiang, commander of the 4th Division—by the Control Yuan, for incompetence in prosecuting the bandit-suppression campaign and toleration of acts of molestation on the part of subordinates.

CUSTOMS NOTIFICATION No. 1368

A revised list of Maritime Customs stations and barriers in the various coastal district is appended hereto for the information of the public.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th June, 1934.

APPENDIX

LIST OF STATIONS AND BARRIERS IN THE VARIOUS COAST DISTRICTS.

1. Chinwangtao Customs District:—
Stations (2):

Shanhaikwan	山海關	Yanghok'ou	羊河口

2. Tientsin Customs District:—
Stations (3):

Tangshan Railway Stations*	唐山車站	Peitang	北塘
Tangku	沽塘		

*Land station.

3. Chefoo Customs District:—
Stations (20):

Yangchiokou†	羊角溝	Hsiayingk'ou†	下營口
Yehk'ou†	掖口	Haimiaohou†	海廟後
Heichiangk'ou†	黑港口	Shihhutsui†	石虎嘴
Huanghoying†	黃河營	Luanchiak'ou†	欒家口
Tienchiaok'ou†	天橋口	Miaotao§	廟島
Liuchiawang†	劉家旺	Pingchanghe†	平暢河
Pachiok'ou†	八角口	Hsishank'ou	繫山口
Lunghsutao‡	龍鬚島	Litao‡	俚島
Pahochiang‡	八河港	Shihtao‡	石島
Chuchiachuan‡	朱家圈	Shawotao‡	沙窩島

4. Kiaochow Customs District:—
Stations (7):

Jushank'ou	乳山口	Chink'ou	金口
Shatzuk'ou	沙子口	Small Harbour	青島小港
Shihchiuso	石臼所	Haichow	海洲
Hsinyangchiang	新洋港		

Barriers (3):

Hsük'ou‖	墟溝	Yenweichiang‖	燕尾港
Chihwang‖	栺旺		

5. Shanghai Customs District:—
Station (1):

Woosung	吳淞		

6. Chinkiang Customs District:—
Station (1):

Kiangyin	江陰		

†Under the administration of the Lungkow office.

‡Under the administration of the Weihaiwei office.

§To be opened on 16th June 1934.

‖These barriers have been established for preventive purposes only, and junks registered for foreign trade are only allowed to call at them after having reported at a Maritime Customs station where duty has been levied on their cargo.

7. Ningpo Customs District:—
Station (1):

Chinhai	鎮海		

8. Wenchow Customs District:—
Stations (2):

Haimen	海門	Kuaot'ou	古鰲頭

9. Santuao Customs District (and Tungchung (東冲) Sub-port):—
Stations (2):

Shacheng	沙埕	Sansha	三沙

Barriers (3):

Funing@	福寧	Komen@	可門
Chenhsiakuan@	鎮下關		

10. Foochow Customs District (and Kuant'ou (琯頭) Sub-port):—
Stations (3):

Haik'ou	海口	Hanchiang	涵江
Hsiuhsü	秀嶼		

Barriers (2):

T'ant'ou	潭頭	Sanchiangk'ou	三江口

11. Amoy Customs District:—
Stations (5):

Dwarf Anchorage¶	觀音澳	Hsiutu	秀塗
Chuanchow	泉洲	Shihma	石碼
Tungshan††	東山		

12. Swatow Customs District:—
Barriers (3):

Masu	媽嶼	Tahaupu	達濠埠
Haimen	海門		

@To be closed on 1st July 1934.

¶To be opened on 1st July 1934.

††Transfer of control from Swatow Customs to Amoy Customs to be effected on 1st July 1934.

13. Canton Customs District:—
Stations (5):

Taiping	太平	Sheklung	石龍
Szekiu	市橋	Chents'un	陳村
Yungki	容奇		

Barriers (3):

Suntong	新塘	Yanchow	印州
Sheklung Railway Barrier.ö	石龍車站		

14. Kowloon Customs District:—
Stations (16):

Swabue	汕尾	Tipfuk	疊福
Namo	南澳	Kaichung	溪涌
Shaüchung	沙魚涌	Shatowkok	沙頭角
Yimtin	鹽田	Shumchun Railway Station‡‡	深圳車站
Lofong‡‡	羅芳		
Shumchun River	深圳河	Shatau	沙頭
Kwaimiao	桂廟	Taishan	大鏟
Lintin	伶仃	Kowloon Railway Station‡‡	九龍車站
Samun	三門		

15. Lappa Customs District:—
Stations (5):

Nine Islands	九洲	Kwanchak	關閘
Chienshan	前山	Shekok	石角
Malowchow	馬溜洲		

16. Kongmoon Customs District:—
Stations (6):

Kongmoon	江門	Shekki	石岐
Gaemoon	崖門	Samgaphoi	三夾海
Kwonghoikow	廣海口	Yeungkong	陽江

öLand barrier on the Canton-Kowloon Railway.

‡‡Land station.

Barriers (3):

Tofuk	都斛	Paktsunhou	北津口
Chappo	閘坡		

17. Kiungchow Customs District:—
Stations (2)

Chinglan	清瀾	Pochin	鋪前

18. Pakhoi Customs District:—
Stations (12):

Shuitung	水東	Muiluk	梅菉
Chiliu	芷寮	Wongpo	黃坡
Taifou	大埠	Fookhin§§	福建
Macheung§§	蕪章	Shingyueh§§	城月
Shentong§§	沈塘	Luichow	雷州
Malomoon	蕪羅門	Tunghing	東興

Barriers (5):

Tinpak	電白	Pakho	博賀
Shuangchi	雙溪	Kongping	江平
Chukshan	竹山		

§§Land station on the Kwangchowwan frontier.

C. N. A. C. to Buy Speedier Planes

Coincident with the new summer rates on the China National Aviation Corporation's Shanghai-Peiping and Shanghai-Hankow lines, which came into effect last week, announcement was made that new modern and speedy planes for all lines will be available in the near future. In their effort to bring the speed and safety of their lines up to the highest level possible, C. N. A. C. has cancelled their order for two new Consolidated "Commodore" flying boats which it was intended to use on the Shanghai-Canton run, because of the slowness of these planes. Instead, they have under definite consideration the purchase at a cost of U. S. $60,000 each of three bi-motored Douglas "Dolphin" all-metal radio equipped seaplanes of the latest type. These planes seat 10 passengers and two pilots and carry a heavy load of air mail and baggage at a cruising speed of 150 miles an hour. The two Wasp motors enable the planes to attain a top speed of 180 miles an hour.

Beginning June 19 the Eurasia Aviation Corporation's weekly Shanghai-Lanchow air service was extended to Ninghsia upon the request of General Ma Hung-kwei, chairman of the northwestern province. As usual the west-bound planes will leave Shanghai every Tuesday morning, stop overnight at Sian and continue to Lanchow the following morning, and thence to Ninghsia, coming back to Lanchow the same afternoon. Thursday morning it will fly back to Shanghai.

The C. N. A. C. Airdrome at Lunghwa is a hive of industry. The new hangar is being rapidly completed and will shortly be ready to occupy. Several planes are being completely rebuilt in C. N. A. C. shops. In addition, pilots are taking blind flying courses under the supervision of chief pilot E. M. Allison. Two C. N. A. C. pilots are now in the United States practicing blind flying. For the training of Chinese pilots, the company plans to have a special training plane in which Chinese pilots will be taught every phase of ordinary and blind flying.

A plane, belonging the Far Eastern Aviation Training School, crashed in Hongkong harbor May 30. The machine, which was being flown at the time by Tsze To, a student pilot. Occupants of a Chinese ferry-boat in the vicinity came to the rescue. The pilot sustained a broken leg.

Two Japanese Army Fliers, Two of Navy, Killed in Airplane Crashes

Two Japanese army aviators and two navy fliers were killed, and two others were badly hurt, in two airplane crashes June 6, one in joint maneuvers of infantry and air forces at Osaka, and the other in a practice flight over Tateyama. The B-1 type scouting plane No. 1,266 of the 3rd Aviation Regiment at Yokkaichi, participant in the four-day maneuvers at Osaka, developed engine trouble at a low altitude and crashed in an open space near the Asahi post-office. The nose of the machine was driven a foot into the ground and the fuselage was split. Sergeant Masao Sasaki, the pilot, and Sub-Lieutenant Kakichi Kitagawa were killed. The accident caused the temporary suspension of the maneuvers. The fliers had been photographing. The second accident befell an attack plane from the Naval Aviation Corps at Tateyama. Investigators did not determine what went wrong with the machine, causing it to fall onto a farm near the Tateyama airdrome. Lieutenant Den Haruki, the pilot, and Sergeant-Major Kumajiro Shibazaki were killed, and Sergeant Ishizuka was critically injured.

The ceremony of naming three light planes donated by the people of Formosa to the Japanese Army was scheduled to be held at Taihoku on June 21.

The Japanese Communications Ministry is pushing plans for the launching of a regular passenger and mail air service between Japan and Formosa—between the cities of Fukuoka and Taihoku, with the city of Kagoshima an important intermediate station. A private comcern is to be subsidized to provide the service.

Raoul Hill, 25-year-old flier of Los Angeles, is planning a non-stop solo flight from Seattle to Tokyo on June 25, with the hope of winning the $25,000 prize offered by a Tokyo newspaper,

Britain Prepares to Expand Air Force

Following up recent pledges made by Stanley Baldwin Lord President of the Council, that Britain will seek parity with the greatest air power within striking distance if no limitation agreement is obtainable, the British Air Ministry is preparing plans for a substantial expansion of the Royal Air Force. The scheme is likely to make an addition of at least 50 new squadrons equivalent to 600 machines, over a period of years, 20 new Royal Air Force airdromes, and a great increase in personnel. Excluding 100 machines in India, Great Britain has 800 first line and about 130 second line aircraft. The contemplated addition will place Great Britain on an approximate parity with France.

A recent Washington message intimated that Great Britain may seek the limitation of naval airplanes at the Naval Limitations Conference next year.

President Roosevelt Signs New-Air Mail Bill

The final chapter of Congressional action on the air-mail scandal was written June 12 when President Roosevelt signed the McKellar-Black Air-Mail Bill. Under the terms of this measure, aviation companies whose contracts were cancelled by the Post Office Department following disclosures of collusion, may bid for new contracts, even if they bring cases against the recent abrogations. It is provided in the McKellar-Black Bill that any such suit may be brought in the United States Court of Claims within one year.

Daily Air Postal Service Between Europe and Far East Is Predicted

A 24-hour postal service between Europe and the Far East and a considerable reduction in the proposed five-day Shanghai-to-Berlin air service, was predicted by Dr. H. H. Hagemann, export manager of the Junkers Airplane Co. of Germany, on his arrival in Dairen, June 13. Dr. Hagemann stated that German aeronautical exports were conducting important experiments to perfect practical stratospheric flights and were constructing super-speed airplanes capable of making flights through the rarified atmosphere. When they had achieved their aim, he stated, then a 24-hour postal service between Europe and the Far East would become possible, as well as a flight between Berlin and Shanghai.

About 250 models were to be tested in the fifth All-Union Airplane Model Contest, which was scheduled for July 20 in Moscow, according to Babayev, head of the airplane models section of the Central Council of Osoaviakhim (Society for Air and Chemical Defense.) Model autogyros, airplanes, gliders, air balloons and dirigibles will be tested at the Pokrovskoe-Streshnevo grounds of the Moscow Central Airplane Club.

Soviets Link Vladivostok and Petropavlosk by Air

Regular air service between Vladivostok and Petropavlosk, capital of Kamchatka, was inaugurated June 16. This line may later be extended to Nome, Alaska, thus establishing the first air link between America and Asia.

British Air Force to Pass Though Canton

The Ministry for Foreign Affairs at Nanking has received a note from the British Legation Office reporting that a British air squadron will soon pass through Canton on their way eastward. The names of the pilots and the number of machines are listed in the note.

***

Osaka and Kobe to Holds Air Defense Maneuvers

Fifteen war vessels will be dispatched to Osaka and Kobe, to protect the cities against an attack by a "hostile" fleet in the course of air defense maneuvers to be held there for three days beginning July 26. The co-operation of the navy in the sham air raids and defense operations will take the form of protective measures for shipping in Kobe and Osaka against an imaginary enemy launching an attack by sea and air.

Shanghai Americans to Celebrate Independence Day

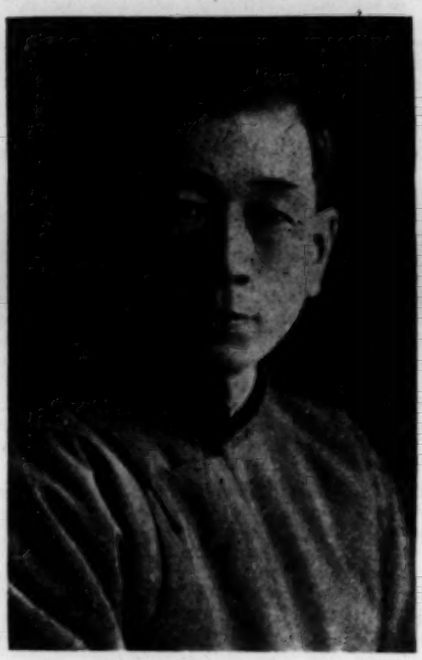
Arrangements for the forthcoming celebration of American Independence Day have been completed by the Permanent July 4 Committee, of which Consul-General Edwin S. Cunningham is chairman. Colonel John C. Beaumont will start off the day's events at the Race Course with a review of the Fourth U. S. Marines, which will be followed by the time-honored ceremony of raising the flag. Between 11.30 and 12.30 the usual reception to American citizens will take place at the U.S. consulate-general, visitors being received by Consul-General Cunningham. The next event of the day will a baseball game at the Race Course in which a team composed of members of the United States services will contest for honors with a local American civilian team. A polo game, with the Raven Cup as the prize, will follow at the race course at 5 p.m. The old team, present holders of the cup, will play against a new American four. By the courtesy of the Senior American Naval Commander the U.S.S. *Tulsa*, one of the warships of the American Asiatic Fleet, will be open to visitors during the afternoon.

Dollar Line Freight Agent Cites Results of Unfair Competition

A *United Press* message from New York June 18 stated that the statement was made in Washington on that date that the Dollar Steamship Line is in danger of being forced out of business by unfair rate reductions made by foreign shipping companies. Michael J. Butler, general freight agent of the Dollar Line, told Examiner L. Lloyd Tibbott of the Department of Commerce, who is conducting an inquiry into unfair shipping practices, that rates have been slashed viciously, with the result that the Company's business has been reduced by approximately 75 per cent in the short space of five years.

Who's Who in China

Kuo Hsin-sung, Director-General of Posts; born at Pingyang, Chekiang, 1896; graduate in Economics of the Tokyo Imperial University, Japan, 1924; professor and head of the Department of Economics of the Chungshan University at Canton and member of the Financial Readjustment Committee of the Ministry of Finance, 1926-28; counsellor to the Examination Yuan, member of the Examination Committee for the examination of Magistrates in Chekiang Province, member of the Examination Committee for Higher Civil Service of the National Government, professor at the Central Political Institute in Nanking 1928-30; head of the Department of Economics, later acting principal of the Law School and chief secretary of the National Central University, Nanking, 1931; Director of Department of Higher Education of the Ministry of Education, 1932; counsellor to the Ministry of Communications since Winter 1932; now Director-General of Posts of the Ministry of Communications; address: Directorate-General of Posts, Post Office Building, Shanghai.



郭心崧字仲岳

Kuo Hsin-sung

郭心崧字仲岳，三十八歲，生於陰曆十二月三十四日，浙江平陽人，民國十三年日本京都帝國大學經濟系畢業，十五年至十七年任廣州中山大學教授經濟系主任，及財政部整理財政委員會委員，十七年至十九年任考試院參事及浙江第一第二兩屆縣長考試典試委員，第一屆高等考試襄試委員覆核考試典試委員，中央政治學校教授，二十年任中央大學教授經濟系主任，代理法學院院長，及中央大學秘書長，二十一年任教育部高等司司長，二十一年冬起任交通部參事，現任交通部郵政總局局長。

Ricsha Coolies Oppose Municipal Control

The Association of Ricsha Coolies in Shanghai is definitely opposed to the Municipality's new arrangement for the establishment of a special department for the control of ricshas, at least on the surface—although it is really the ricsha hongs that are opposing the idea. The Association has petitioned the Shanghai Chinese Chamber of Commerce to approach the Municipal Council urging it to drop the proposal, which the Association regards as against the interests of the coolies.

Chinese Chamber Asks for Reorganization of Special District Courts

Reorganization of the Special District Court in the International Settlement and French Concession of Shanghai by the national government is urged in one of the resolutions adopted at the fifth general assembly of the Shanghai Chinese Chamber of Commerce held June 17. Other resolutions included the sending of comforts to General Chiang Kai-shek, chairman of the Military Affairs Commission, for his efforts in the communist-suppression campaign, together withe a petition that he should prepare for the recovery of Manchuria from Japan and another petition of the national government, urging that a definite time limit be set within which all superfluous taxes should be abolished. Election for members of the Executive and Supervisory Committees for next term resulted as follows: Messrs. C. M, Hsu, Chin Jen-hsiang, Hu Hsi-yuan, Hu Hsi-yuan, Cheng Teng-ching, Ko Chieh-chen, Chen Hsiao-tieh, Ko Kan-chen and Yeh Yin. The four persons elected members of the Supervisory Committee are: Messrs. Wang Hsiao-lai, Wang Yen-sung, Lo Ching-hwa and Shen Tien-hsin.

CUSTOMS NOTIFICATION NO. 1369

The public is hereby notified that in future the right of paying duty at the Tariff rate ruling on date of application either for direct imports or for withdrawals from bond for import will apply only when duty is actually paid within 15 days from that date, failing which, if the duty rates on the goods concerned have in the interim been increased, duty will be levied according to the new rates.

It should therefore be observed that an Import Duty Memo. will become invalid after 15 days from the date of the Import Application concerned if during those 15 days the Government have raised the Tariff rates on the goods concerned; and it should be noted that the following clause will be added to Rule No. 7 of the General Bonding Regulations: "provided that the duty is paid within 15 days from the date of application, failing which, if the duty rates on the goods concerned have in the interim been increased, duty shall be levied at the new rates."

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th June, 1934.

CUSTOMS NOTIFICATION NO. 1370

The public is hereby notified that in accordance with Government instructions the following changes in the Export Tariff will be enforced on the 21st June, 1934; Nos. 47, 117, 119, 120, 121, 148, 156, 163, 164, 165, 166, 168, 169, 191, 198, 202, 203, 211, 212 (c) and (d), 216 (a) and (e), 220 (a), (b), (d) and (e), 226, 227, 228, 229, 233, 234, 253, 259, 260, 263, 268 and 269, all free; No. 3 (a), (b) and (c), five *per cent.*; (d), $1 per 1,000; Nos. 38, 102, 176, 187, 188, 189 and 249, all five *per cent.*; Nos. 42 and 43, $0.38; Nos. 41 and 44, $0.23; Nos. 93 to 100 inclusive, $0.48; No. 27, manufactures of, five *per cent.*; others, seven and a half *per cent.*; No. 39, fresh and frozen, free; others, five *per cent.*; No. 68, apples and pears, per hundred kilos, $0.40; persimmons, $0.35; persimmons, dried, $0.75; others, five *per cent.*; No. 105 (a), $0.24; (b), $0.30; No. 115, $0.55; No. 132, $3; No. 133, $3.50; No. 145 (a), India rubber, gutta percha and manufactures thereof, free; (b) others, seven and a half *per cent.*; No. 223, tinware, free; (a), (b) and (c), rates unchanged; No. 225, manufactures of, free; others, seven and half *per cent.*

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th June, 1934.

Men and Events

Lin Shih-tse has been appointed Director of the Hopei Provincial Saltpetre Bureau.

The Shanghai office of the *Tass News Agency* has been removed to 20 Canton Road, room 500.

St. John's University will hold its fifty-fifth commencement day exercises June 23, starting at 5 p.m.

Two daughters of Sir Robert Ho Tung of Hongkong were presented to the King and Queen at Court in London June 13.

The annual dinner of the American University Club was scheduled be held at the American Club, Shanghai, on June 22.

The Harvard baseball team is scheduled to arrive in Tokyo August 16. It will play a series of games in Japan. Keio University is acting as host.

Hiroshi Saito, Japanese envoy to Washington, bade farewell to President Roosevelt at Washington June 13. Mr. Saito will spend the Summer in Japan.

The Ford Motor Assembly plant in Yokohama is cutting down production as the result of a fall in orders. It recently discharged 200 workmen from the plant.

Frank P. Lockhart, American Consul General in Tientsin, was scheduled to board the s.s. *President Hoover*, at Kobe on June 21, enroute to Honolulu, where he will spend the summer with Mrs. Lockhart.

Wellington Koo, Chinese Minister to France, is returning to China within the next six months. He will be replaced as China's representative at Geneva by Wunsz King, the Chinese Minister to The Hague.

A National Producers' Conference will be held in Shanghai some time in July. The conference was originally scheduled to be held on April 15 at Nanking, but for various reasons it was postponed.

Cheang Park-chew, head of the Wing Tai tobacco and cigar emporium, and Archibald Rose, a director of the British-American Tobacco Co., were hosts at a reception given June 20 at 4 Jessfield Road, Shanghai.

Mrs. Margaret E. Ludy, a free lance writer from New York and Philadelphia, who is making an extended tour of China, departed for Hongkong June 19, after spending about two weeks in Shanghai.

The Japanese Consulate at Yunnan-fu, capital of Yunnan Province, which has been closed since October, 1931 because of anti-Japanese feeling resulting from the Manchurian Incident was reopened June 13.

Commencing July 1, the electricity company in the French Concession of Shanghai will charge Tls. 0.0045 per hectowatt-hour up to a monthly consumption of 975 h.w.h. for current used for power purposes, including refrigerators.

Dr. Sven Hedin, Swedish explorer, arrived last week in Urumchi, the capital of Sinkiang after having explored the possibilities of building a motor road through the interior of Asia. Dr. Hedin will return to Sweden via Suchow.

The Shanghai Foreign Y. M. C. A. is collecting funds this year, as in provious years, for a Boys' Camp at Tsingtao. Contributions are asked to be sent to the Boys Committee, Foreign Y. M. C. A., 150 Bubbling Well Road.

The British destroyer *Verity* left for Swatow June 13 to watch British shipping interests following alleged interference in connection with the recent inspection order as applied to foreign vessels issued by the Ministry of Communications.

Lu Tsao-hsing, a Chinese lawyer, was shot dead in cold blood outside his home in Ching Ho Alleyway, near the corner of Canton and Chekiang Roads, Shanghai, on the night June 19, by a miscreant, who escaped in darkness.

The synod of the Russian Church, which is in exile and has its headquarters in Jugoslavia, June 14 appointed Rev. Jovan Maksimovitch, professor of theology at Bitolj, Orthodox Bishop in Shanghai, to succeed the present Archbishop in Peiping.

The Chinese Government June 15 cabled part of its annual contribution to the League of Nations amounting to 419,964,18 Swiss Francs. At the same time, an instalment of U. S. $93,-000.60 in arrears due to the League was also remitted.

Through the efforts of General Wang Chun, Commander of the 3rd Army, Chin Chih-yun, Chief Editor of the *Kung Yen Pao*, a daily newspaper at Hsuchow, was released June 14. Mr. Chin was recently arrested on the charge of criticizing the local civil administration.

All Chinese banks in Shanghai suspended business June 16 to celebrate the Mid-Summer (Dragon Boat) Festival. Said date was also the twelfth anniversary of Dr. Sun Yat-sen's flight from Canton as a result of the revolt of the late General Chen Chiung-ming. A memorial meeting was held at the Shanghai City Kuomintang Headquarters to commemorate the occasion.

Sir Frederick Whyte, former adviser to the Nanking Government, accompanied by Lady Whyte, returned to China during the week. They intend to make a tour of North China, then proceed to Japan, whence they intend to sail for Europe in October. In an interview Sir Frederick said his visit was purely private, made with a view to getting first-hand information as to the situation in this part of the world.

Six thousand cases of petroleum, stored at a warehouse of the Asiatic Petroleum Company in Weinan, 40 miles east of Sian were destroyed by fire June 17 as a result of an explosion due to the heat. The fire lasted 18 hours. The loss is estimated at over $100,000.

Sir Cecil Clementi has resigned the governnorship of the Straits Settlements on the grounds of ill-health. Sir Cecil, who was formerly Governor of Hongkong, has been Governor and Commander-in-Chief of the Straits Settlement and High Commissioner for Malaya since 1930.

Dr. Weng Wen-hao, Director of the Geological Survey in Peiping, who was seriously injured last February in a motor-car accident while proceeding to Hangchow, left the Peiping Union Medical Hospital June 1, fully recovered. He will spend the summer in the Western Hills.

A garden party was given to the University Club of Nanking on Saturday, June 16, by W. R. Peck, the American Consul General and Counselor to the American Legation, and by Mrs. Peck, at the American Consulate General. Over two hundred members of the Club were present.

The Hungjao Sanitarium was formally opened June 17. Mayor Wu Te-chen of the Municipality of Greater Shanghai delivered the opening speech, in the course of which he pointed out that the newly-built sanatorium is filling a longfelt need for better hospital facilities and care in Shanghai.

The group of journalists from Hongkong and Kwangtung who are making a tour of China were entertained at lunch June 14 jointly by the Hopei Provincial Government, the Tientsin Municipal Government and the Hopei Provincial Party Headquarters. General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, presided at the function.

Mrs. Maude Addis Gilbert and Robert Wallace Davis, secretary and manager of the *North-China Daily News*, were married by the Rev. H. G. Newsham at the Union Church Shanghai June 16. Mr. and Mrs. Davis are spending their honeymom at Hangchow. The bride was formerly married to Rodney Gilbert, for many years on the staff of the *North China Daily News*.

Dicesson H. Leavens, formerly of the Research Staff of the Harvard Business School and now technical expert with the Rogers silver mission, was entertained at a dinner party June 12 at the Chinese Bankers' Club by Y. K. Ho, of the Secretariat of the Shanghai Municipal Council. A group of 20 Harvard Business School alumni attended the dinner.

The Executive Yuan June 10 decided that Provincial and Municipal Governments must erect as many athletic fields as possible for the promotion of physicial culture. The proposal, which was made by President Wang Ching-wei, emphasizes that these athletic fields need not be on a grand scale but should be inexpensive and adapted for the purpose in view.

Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, is scheduled to attend the meeting of the Board of Directors of the Yenching University at Peiping on June 23 and address the graduating class at its Commencement Exercises of the University on June 25. It is understood that he will later proceed to Taiyuan, provincial Capital of Shansi.

Buddhist Abbot Chao Kung (Ignatius Timothy Trebitsch-Lincoln) returned to Shanghai with a number of Chinese adherents June 19 in the s.s. *Empress of Russia*, after being denied a landing in England and being deported from Canada. Previous news that he intended to stay in Japan proved erroneous. He refused to be interviewed. No announcement was made as to his future movements.

Vice-Admiral Shinjiro Imamura, Commander of the Third Japanese Fleet, who was host to Chinese officials, foreign Consuls and naval officers, and leading Japanese residents at a tea party in Hankow, June 15, given aboard his flagship, the cruiser *Izumo*, sailed from Hankow the following day aboard the gunboat *Hozu* for Changsha, Ichang and Chungking on an inspection trip which will last about one month.

Dr. W. W. Yen, Chinese Ambassador to the U. S. S. R., who had originally intended to return to his post at Moscow early in June, has secured an extension of his leave of absence from the National Government. Dr. Yen is proceeding to Weihaiwei, where will remain for about a month, following which he will proceed to Nanking to meet Dr. Wellington Koo, Chinese Minister to France, who is due to arrive at Shanghai July 7.

Commencement Exercises were held June 18 at the University of Nanking. The chief speaker was Sun Fo, the President of the Legislative Yuan of the National Government, who spoke on loyalty, loyalty to one's college, to the government, to the nation and to society. Other speakers were Lu Chao, Chief Military Counselor of the National Government; Hwang Chien-chung, Representative of the Ministry of Education, in charge of the Department of Colleges and Universities; and Yuin To, President of the Senior class of the College of Science. President Y. G. Chen reviewed the chief events of the college year, which has been one of the best in the history of the University.

Miss Marion M. Raikes and James Lowell Holbrook were married on board the Dollar ss. *President Hoover* in Shanghai harbor June 19 by George A. Fitch, Secretary of the Foreign Y.M.C.A., who with Mrs. Fitch departed for the United States on the same steamer. The marriage was an impromptu affair. The newly married couple were not passengers, but returned ashore on the last tender.

James H. Furay, vice-president and head of the foreign department of the *United Press* Associations of America accompanied by Mrs. Furay, arrived in Shanghai from Manila June 17. They were entertained in Shanghai at a garden party and a tea given by T. B. Chang, Hollington K. Tong, K. B. Pan, Tseng Hyui-puh, and J. R. Mee, Chinese newspaper men, and at a dinner at the American Club by the American Committee. Mr. and Mrs. Furay are returning to the United States via Siberia.

The question of what constitutes a legitimate rate of interest came up in the U. S. Court for China this week in connection with an action for foreclosure of a mortgage bond against Luebbert's Pharmacy, Federal Inc., U.S.A. instituted by the Finance Banking Corporation. The plaintiffs had included interest at 12 percent per annum in a claim for $45,902.52. Judge Milton J. Helmick intimated that he would give his decision June 23 on the point as to whether this was "usury," as defendants claimed.

Headed by Admiral Chang Tse-kiang, Commander-in-Chief of the Canton fleet, a number of Kwangtung officials are advocating government action to forbid women and men swimming in the same swimming pool or at the same beach "in order to uphold Canton's high standard of morality." The group has submitted a resolution to this effect to the Political Research Committee, declaring that the practice of young women and men swimming together is detrimental to social welfare and should be placed under ban.

Admiral Sir Frederic Dreyer, Commander-in-Chief of the China Station, who attended the funeral of the late Admiral Togo as representative of the British Government, arrived in Weihaiwei aboard his flagship, H.M.S. *Suffolk*, June 12. Practically the whole of the British fleet comprising the China Station is now assembled in Weihaiwei. The flagship of the U. S. Asiatic Fleet, the U.S.S. *Augusta* proceeded to Tsingtao, with Admiral Upham on board, after attending Admiral Togo's funeral. The yacht *Isabel* has also gone to Tsingtao for the summer.

Dr. Chu Chia-hua, Minister of Communications, in an interview in Nanking June 13 referred to the lack of courtesy towards Chinese and foreigners on the part of staff members of various organizations under the control of the Ministry of Communications. A circular order was issued by the Ministry June 12 instructing the heads of all organizations under the Ministry to pay special attention to the daily attitude of the staff members towards Chinese as well as foreign nations. If any one is found to be discourteous and arrogant, the order states, he should be severely punished.

Mark J. Ginsbourg, a Russian Jewish student, formerly of Shanghai, was one of the three alternates on the nomination of the teaching staff of the school of journalism of Columbia University for a traveling scholarship valued at U.S. $1,500, being one of the Pulitzer prizes for 1933 which were announced May 7. He will shortly return to Shanghai to visit his mother, who is a practising dentist. The family arrived in Shanghai in 1928, from Harbin. After passing examinations with distinction in Shanghai, Mark enrolled at Pomona College, Claremont, California, and in 1933 won a scholarship of U.S. $650, which enabled him to take an extra year's course in the Columbia University School of Journalism. He graduated from Pomona College with a gold medal and distinction in Political Science.

Japan's Progress Due to China, Says C.V. Starr

The notable progress in world trade made in recent years by Japan has been due in large part to Chinese boycotts of Japanese goods, C. V. Starr, of Shanghai, said in an interview on his arrival in Honolulu, June 15. "Paradoxical though it seems," Mr. Starr told reporters, "Chinese boycotts started Japan on the road to economic independence. When her exports to China were greatly reduced by anti-Japanese agitation, Japan was forced to look elsewhere for markets, and she found it comparatively easy to compete with the Occident in almost all commercial lines." Sino-Japanese co-operation on a new basis may materialize in the near future, Mr. Starr intimated. Discussions looking towards such co-operation are being conducted at present, he said.

District Court Protests to Municipal Council

The First Special District Court has protested to the Shanghai Municipal Council in connection with the private criminal prosecution brought in the First Special District Court by Tsai Yang-chi against a Chinese detective, Lang Tsu-ying, accused of using "third degree" methods. Lang Tsu-ying, the detective, is attached to the Louza Police Station, but, when a summons was sent by the Court to the station, instructing the detective to appear before the Court in connection with the case brought by Tsai Yang-chi, the summons was returned. It is stated that the Court intends to file a second written protest with the S.M.C., charging the Council with violation of the Rendition Agreement stipulations.

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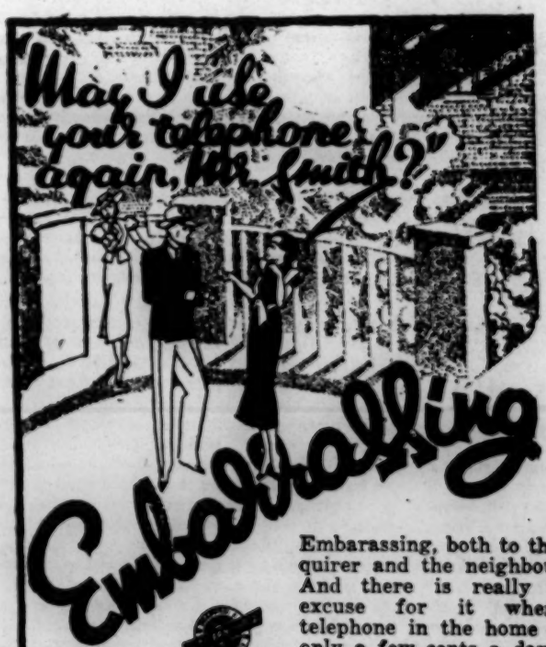

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No. 186

New Books of Interest in the Far East

The Economics of Inner Mongolia

The Economic Development and Prospects of Inner Mongolia (Chahar, Suiyuan, and Ningsia). By Chang Yin-t'ang, M. A. Published by the Commercial Press, Ltd., Shanghai, 1933. *Ch.*$2.50.

The extension of Japanese influence to Chahar, and the flare-up of the Inner Mongols (evidently influenced by the Japanese and by "Manchukuo") towards autonomy, give this book a certain timelines, though unfortunately its material is several years old. Most of the author's figures are of 1926, 1927, and 1928. For this out-of-dateness, however, the author is evidently not wholly to blame. The book was completed in January 1931, when much of his data was passably recent. It had not yet been published when the Commerial Press plant was destroyed by the Japanese in 1932, and following that it was delayed almost two years more, appearing early this year, apparently without revision or renovation of material.

The book carries some political significance, in showing the importance of this border region to the economy of northern and northwestern China in general. So far, Inner Mongolia is known rather vaguely to the general public, and few books have appeared on it either in English or Chinese. (This is probably the first book in English, on Inner Mongolia, by a Chinese writer.) The author does not claim that his material is original.

As may be seen from the title, the author especially considers central and western Inner Mongolia,—the areas included in the provinces of Chahar, Suiyuan, and Ninghsia. Eastern Inner Mongolia, with two or three times the Mongol population of the areas covered in this book, is not included in the main subject, and is referred to only incidentally,—rather surprising in view of the fact that the book was written before the Japanese started their invasion of the four northeastern provinces, among which most of eastern Inner Mongolia had already been divided.

The first chapter of the book details the physical geography and main natural divisions of the part of Inner Mongolia referred to, and is informative. The second chapter deals with historical geography, and contains a historic sketch rather misleading in some points, giving the impression (pp.58,59, 67) that the Mongols were "completely subjugated" by the Chinese (instead of mainly joining the Manchus as allies in the seventeenth century), declaring that "*after* the death of Kublai Khan in 1295, Lamaism was introduced to the Mongols" (while as a matter of fact it was Kublai who sent to Lhassa for Lama priests), and containing other errors.

The third chapter deals with economic geography, and is much more useful than the preceding one. It is striking to note from Mr. Chang's figures that so great is the impoverishment of the Mongols in the areas where they have been most seriously encroached upon by land speculators and bandits, that only one-fourth of China's export of wool through Tientsin comes from Mongolia (mostly Inner), twice as much wool being brought from far-off Kansu and Chinghai, where the nomadic Mongols and Moslems are better in a position to defend themselves against plunders. In connection with dairy products, Mr. Chang, though quoting figures on imports, speaks as if there were almost no domestic Chinese market, and appears to be unaware that the main difficulty in the marketing of Mongolian dairy products is the danger to health through the filthy and insanitary methods used in their preparation. Excepting for this item, the chapter is quite informative.

The fourth chapter covers "the chief regional aspects of economic geography," describes various areas and commercial centers, and extends its information to cover Kansu, Chinghai, and Sinkiang to the west, and Outer Mongolia to the north, though his figures are of seven years ago. An interesting section is that on communications, from which we note the increasing motor traffic between Kalgan and Urga a few years ago, prior to the Japanese moves last year, when—after the Tangku truce—the Japanese-supported bandit Liu Kwei-tang moved across Chahar to take over this motor road north of Changpeh, which the Japanese later stated was within the "demilitarized zone,"—though it had not been mentioned in the terms officially announced before that time. A peculiar item is Mr. Chang's pointing out (on pp.163-4), the heavy cost of transport from Mongolia to Kalgan, making the rate via the Trans-Siberian Railway and Vladivostok far the cheapest for Mongolian export wool, and then stating that "the above-quoted figures are decidedly in favor of the Kalgan-Tientsin route," apparently omitting from his total the heavy transport cost on the line between Kalgan and Urga.

The fifth chapter deals with "the northwest as a field of Chinese colonization." Mr. Chang describes two methods of Chinese colonization which have been practiced, one being the Manchu method in eastern Inner Mongolia, in which the price obtained for land was divided between the Government and the Mongol prince who disposed of his people's patrimony, and the comparatively liberal method adopted by General Feng Yu-hsiang in Suiyuan and Chahar in 1925. The customary method under the Fengtien officials, who simply expropriated the Mongols for the benefit of themselves and the land-thieves with whom they worked, is not even hinted at. Mr. Chang, though pointing out the dominance of landlordism, does not show at all how it was established.

It may be remarked that in the present situation, with the Japanese making every effort to attract the Mongols to themselves and to the special Mongol province in "Manchukuo," the ruthless policy of self-seeking officials against the Mongol pastorals is now a serious menace. If our Mongol fellow citizens are to be kept in the Chinese Republic, they must be permitted the right to live and carry on their work—whether as herdsmen or farmers (Mr. Chang gives the impression that all Mongols are still pastoral, which is not quite conect, as great numbers have become farmers)—in peace and security.

The book under review has a number of illustrations of Inner Mongolian country and nearby areas, and several interesting maps showing various areas. There are two brief appendices, a bibliograpahy, and an index.

H. H. C.

A Trenchant Review of Events in the Far East

Men and Events in the Far East (Contemporary History Series No. 4) By Hollington K. Tong. Published by the Joint Publication Company, Shanghai. Pp. 155. *Price, Mex.*$1.00.

To the first three volumes of the Contemporary History Series published under the title of "Men and Events in the Far East," Hollington K. Tong, managing director and editor-in-chief of the *The China Press*, has added another book, which was published but a week ago. It is the same as the preceding volumes in size, appearance and nature. For those readers who have not yet acquainted themselves with Mr. Tong's series, the reviewer may, however, add by way of information that this number in accordance with the general scheme is likewise a collection of his articles and reports reprinted from The *China Press*.

These articles, which first appeared from December, 1933 to last April, deal with men and events either domestic, or foreign, or local, that were in the spotlight of news during that period of four months. To mention the domestic events, for instance, the reader's interest will be drawn to the Fukien rebellion, insurrections in Sinkiang, the spreading of the New Life Movement from Nanchang, and some other internal affairs, all of which the writer gives a clarifying view.

There are also delightful articles of minor importance and yet of no less interest than those of serious nature. The reports on Maurice Dekobra's conception of a beautiful Chinese woman and his art of love not only reflect the French novelist's observation during his visit to the Orient but also will remain to be the only full reports made of the author of "Madonna of the Sleeping Car," whose unguarded comment on charms of Chinese women had raised the opposition of modernized Chinese girls.

Therefore "a study of the contents of the series," as is remarked in the preface, "readily shows that politics, domestic and foreign, are not the exclusive concern of the author. A composite view of modern China is presented from the standpoint of a journalist on the alert in order to give his readers a shapshot of all the important, interesting and significant news as it develops from day to day."

The publication of Mr. Tong's series reminds the reviewer of the journalist's contributions to the *China Weekly Review* (then *Millard's Review*) wince 1917. Should these be edited and reprinted in book form, they would fill easily a dozen volumes of the present size, proclaim Mr. Tong a prolific writer, and perhaps render the title of Contemporary Series none too ambitious for him just as the "Human Comedy" is none too ambitious for Balzac to fill his novels in.

Z. B. T.

A Photographic Album of China

China As She Is: A Comprehensive Album, 1934. 744 Pages with Charts. $25.00. Liang You Printing and Publishing Company.

Memories of Kupeikow: A Photographic Story of the Fighting in North China. By Joseph Yu, M. D. 1933. Printed by the Liang You Printing and Publishing Company.

Congratulations are due to the Liang You Printing and Publishing Company for the two books of photographs listed above. Both of these volumes are valuable and interesting by themselves. As far as the printing is concerned, the first mentioned volume deserves particular commendation.

"China As She Is" is a compendium of China in pictures. It contains all that is worth knowing and seeing in this country. It is a valuable collection of materials illustrative of the widely divergent aspects of Chinese life and manners and serve as a distinct and sound understanding of the country in its various phases. Prefaced by a map of China and fifteen exquisitely-colored plates, the volume depicts the

scenic spots in twenty-eight provinces and dependencies of China, beginning with Kiangsu. Ninghsia, Kansu and Chinghai (*Kokonor*) are grouped under one heading, so are Charhar, Jehol and Suiyuan; and Hsikang and Tibet. To each province, there is attached a brief description in both Chinese and English. This description includes a brief history, geography, population and climatic conditions, principal products, communication system and leading cities with historical notes. Following the description are photographs of spots of interest in the provinces concerned. At the end of the book, there are attached ten satistical charts giving information on various phases of Chinese national life, political, military, economic, educational and so forth.

The photographs included in this book are a result of an extensive tour of the country made by a selected group of expert photographers of the Publishers. The aim of the publication, as pointed out in its foreword, is exposition and interpretation—not propaganda. The truth of this claim will be admitted by any one who reads the book. From an artistic point of view, the photographs are excellently executed and the coloring is particularly beautiful and attractive. For those interested in China, including tourists visiting this country, the book is an excellent souvenir or as a gift to friends.

"The Memories of Kupeikow" is a photographic story of the fighting during the Japanese invasion of North China in the Spring of 1933. The photographs were taken by Dr. Joseph Yu, who participated in the war in his capacity as captain of the 3rd Mobile Unit of the North China Medical Relief Committee of the Red Cross Society of China. He is now head of the Nantao Clinic, Shanghai. In general, the book describes the work of the Red Cross physicians at the front, but there are also a large number of what are termed "action pictures." While the printing of this work is not comparable to that of "China as She Is," it nevertheless constitutes a valuable reference source for those interested in knowing the details of Japanese aggression in North China and for future Historians who wish to write on the Far Eastern Crisis. C. H. H.

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So it goes on, until the number of days when you are really 'fit' is much in the minority, definite signs that your blood stream has become impoverished, and with it your resistance to disease is weakening.

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If you are run-down, depressed, nervy, lack appetite, strength and vigour, begin a course of Dr. Williams' Pink Pills today, you know that you are taking a well tried remedy which has proved of great benefit to similar sufferers over a period of fifty years. Equally good for men and women, Dr. Williams' Pink Pills are a safe prescription for children who are run-down, pale, weak and ailing, and they are a splendid builder after colds, measles, whooping cough. You can obtain Dr. Williams' Pink Pills from chemists everywhere.

In the United States Court for China

EDWARD HOWARD FORD, Plaintiff,
vs.
SADIE CAROLINE FORD, Defendant.

Cause No. 3686
Civil No. 1681
ORDER
Filed at Shanghai, China, June 7, 1934.
WILLIAM T. COLLINS Clerk.
L. T. Kenake, Asst. clerk.

The object of this suit is an action for the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorneys, has this 2d day of June, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 2d day of June, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of May, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time during the past year prior to this date, and that defendant's last known address was 1106 West 39th Street, Vancouver, Washington, United States of America.

NOW, THEREFORE, it is this 7th day of June, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW," a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 30th day of June, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China, this 7th day of June, 1934.

MILTON J. HELMICK
Judge.

In the United States Court for China

CARL E. HICKS, Plaintiff,
vs.
EDNA L. HICKS, Defendant.

Cause No. 3688
Civil No. 1683
ORDER
Filed at Shanghai, China, June 7th, 1934.
WILLIAM T. COLLINS Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorneys, has this 29th day of May, 1934, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 29th day of May, 1934, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 28th day of May, 1934, Carl E. Hicks, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 29th day of May, 1934;

NOW THEREFORE, it is this 7th day of June 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 30th day of June, 1934, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT.

MILTON J. HELMICK
Judge.

Complete Text of Dr. L. Rajchman's Report on League Co-operation with China

The report, dated April, 1934 by Dr. L. Rajchman, liaison officer on technical co-operation between the League of Nations and China, was officially issued at Nanking and Geneva, May 10. The report is being published in serial form in the China Weekly Review. The following is the sixth installment.

(Continued from last week)

2.—In a country so situated water conservancy work must necessarily be of interest to the Central Government, and in the spring of 1931 the Chinese Government informed the Transit and Communications Section of the League that it intended to include certain hydraulic projects in a first programme of national development. Of these the most important was a scheme for the improvement of the Hwai River. But the Government was anxious, before starting to carry out this scheme, to have the advice of engineers who had been engaged on work of a similar character elsewhere. It accordingly requested the Transit Organization of the League to appoint a Commission to come to China and review the situation. At the same time the Government announced that, in the event of such a Commission being despatched, it would seek its advice on certain proposals connected with the port of Shanghai and with the rivers of North China. Another of the projects was for a station for the technical training of civil engineers, and for the organization of this the Government also requested the aid of the League.

3.—On June 13, 1931, the League's Advisory and Technical Committee for Communications and Transit accepted the invitation of the Chinese Government to collaborate in the work described.

4.—A mission of three engineers was accordingly despatched to China. It consisted of Mr. Coode, a member of the London Institute of Civil Engineers; M. Perrier, Inspector-General of Roads and Bridges at Paris; and Herr Sieveking, Director of the Hamburg Port Administration. The Commission arrived in China at the beginning of January 1932, and stayed about three months. The visit was under the auspices of the National Economic Council. The report of the Commission was addressed to the Communications and Transit Section of the League of Nations, which presented it in February 1933 to the National Economic Council.

5.—The peculiarity of the Hwai River, which lies between the Yangtze and the Yellow River and is one of the largest rivers in China, is that it has no clearly defined outlet to the sea. In consequence there is a grave danger of flood whenever rain falls heavily in the upper reaches of the river. The Government, in planning action, had hesitated between two plans: one to make a new outlet to the Yellow Sea; the other to conduct the waters of the Hwai into the Yangtze. The Commission recommended the second of these courses. On the strength of its report a loan was obtained from the British Boxer Indemnity Fund, and work, estimated to cost about $14,000,000, has begun on the lines suggested by the Commission.

Certain of its proposals are also being carried out on the rivers of North China. At Shanghai the Commission considered a plan of the Municipality of Greater Shanghai for building a dock between the city and the junction of the Whangpoo and the Yangtze. In this case it expressed the opinion that, on technical grounds, the building of such a dock would be a mistake.

6.—Between the passing of the aforementioned resolution of the League Transit and Communications Committee in June 1931 and the arrival of the League Engineering Commission in China in January 1932 there had occurred in August and September 1931 the catastrophe of the Yangtze Flood. The damage done is described as follows in the report of the National Flood Relief Commission:—

> During the late summer months of 1931, 25,000,000 people, inhabiting an area of 70,000 square miles, were affected in various ways by the greatest flood in the history of China. Approximately 140,000 persons were drowned, a number which cannot be accurately ascertained, but which must be very large, lost their lives through other causes directly attributable to the flood. Forty per cent of the people in the affected regions were compelled to migrate for the greater part of winter. A crop worth $900,000,000 was lost, and a total loss of $2,000,000,000 was borne by a community whose average family earnings do not exceed $300 a year.

The situation which resulted was so urgent that a special body, called the National Flood Relief Commission, was called into being to deal with it. (See page 17.) Besides work devoted to the relief of immediate distress, the National Flood Relief Commission undertook to repair and build afresh certain dykes on the Yangtze and its tributaries, and in the course of its activities built dykes to the length of over 7,000 kilometres. It is estimated that at one time over one million persons were engaged in dyke-building. Wages for this work were paid, mostly in kind, out of a loan of 450,000 tons of wheat from the United States. Taking the price of a ton of wheat to be $74, wages represented a cost of $20,000,000. Other costs were only $2,000,000. The attention of the National Economic Council in hydraulic matters was directed entirely to assisting this Commission.

7.—When the National Flood Relief Commission ceased to exist in the summer of 1932 the National Economic Council was directed by the Government to take over its duties and the funds and apparatus which the Commission still had in hand. The funds amounted to about $1,600,000, (this sum being included in the total expenditure shown in Chapter I, par. 7). In November 1933 the National Economic Council was also instructed to take over the control of conservancy work in the province of Hupeh. Between November 1932 and the beginning of 1934 the National Economic Council has been in receipt of funds for this work, derived chiefly from Customs, to the average monthly of $200,000.

8.—To fulfil these duties the National Economic Council formed a special Hydraulic Engineering Bureau, which was partly staffed by engineers taken over from the National Flood Relief Commission. The Bureau had at its disposal the services of Mr. F. J. M. Bourdrez, a member of the League Engineering Mission to China. Four offices, organized on somewhat similar lines to the Central Bureau, were set up by the Bureau to take charge at the centres where the National Flood Relief Commission had been making extensive operations. A committee was also formed of persons nominated by the Standing Committee of the National Economic Council for the purpose of exercising general supervision over the work of the Bureau.

9.—The work of the Bureau during the eighteen months of its existence was partly to complete the work of the National Flood Relief Commission, and partly to carry out the conservancy work in Hupeh province. This work consisted almost entirely of the repairing and strengthening of earth dykes along the Yangtze and Hwai Rivers and their tributaries. The total amount spent was $107,000.

10.—By December 1933 the programme made when the National Economic Council took over from the National Flood Relief Commission had been almost completely carried out, and the funds available, except for the work in Hupeh, had also been exhausted. All the work had been in the nature of an emergency programme. Flood prevention and the improvement of rivers is normally in the hands of three great conservancy commissions (situated at Tientsin, Shanghai, and Canton), which derive their funds chiefly from shipping taxes and river dues; of river commissions supported by grants from the National Treasury and appointed by the National Government; and of provincial river bureaux. With the exception of the Whangpoo Conservancy Commission at Shanghai, which in 1931 had an income of over $4,000,000, their incomes are comparatively small. None of them, either from a financial or administrative point of view, was competent to take over the work of the National Flood Relief Commission, and this in consequence devolved upon the National Economic Council, the only available national body.

11.—At the beginning of 1934, in drawing up the project for the year, the Standing Committee decided that it was time to determine what permanent part the National Economic Council should play in conservancy undertakings. But before making its decision it resolved to seek through the League the advice of a hydraulic engineer of international eminence.

It was understood that as a result of this consultation the projects would be selected upon which it would be advisable to concentrate in the immediate future. Arrangements have been made for a technical officer commissioned by the National Economic Council and Mr. Bourdrez to go to Europe this summer, taking with them detailed descriptions of the various projects, relevant maps and documents, and records of observation work carried out both as a part of their routine by the hydrological research stations and also with special regard to the detailed schemes for improvement and river control.

12.—As these consultations will take time, the studies in China cannot begin before next autumn. In the meanwhile the National Economic Council has decided to undertake irrigation work in connection with the assistance to be given to the provinces of the North-West.

13.—These provinces are liable to suffer from devastating drought. It is thought, however, that this drought can be averted by irrigation. There are three major irrigation projects for the North-Western provinces, two of which have already been partially carried out. The National Economic Council proposes to make subsidies totalling more than $1,000,000 for all these projects and put its skilled engineers at the disposal of the provincial government. A survey party, accompanied by Mr. Bourdrez, is at present in the district engaged on a study of the work to be undertaken in the course of the year.

(To be Continued)

British General Urges Support for Nine-Power Treaty

Brigadier General C. D. Bruce, a former Chief of Police of the Foreign Settlement of Shanghai, wrote to the *London Times* May 6 that Japanese opposition to international projects for assisting China as well as to private enterprises or services which in Japanese opinion prejudice Far Eastern peace is one thing, and a thing Western nations are little likely to tolerate. General Bruce, among other things, said:—"The rehabilitation of China, it goes without saying, will be for the benefit of the whole civilized world. The Chinese, unassisted, have proved that they are incapable of doing any of these things. They have been given a whole generation in which to make the attempt, and as all the world knows have failed signally. International help is the only panacea, not Japanese help single-handed under a new Monroe Doctrine. What is needed is the help of all the Powers most interested who signed the Nine-Power Treaty at Washington in 1922. Reaffirmed and, if necessary, redrafted to suit the altered conditions of the last decade, I suggest that the Nine-Power Treaty is the most direct and efficient channel through which to carry out the policy of the 'open-door' in China. It is to-day safe to say that Western nations, including, of course, the United States of America, are prepared to see that policy through."

China Foundations Annual Meeting To Be Held in Peiping June 29

The ninth annual meeting of the China Foundation will be held in Peiping June 29. Tsai Yuan-pei, Chairman of the Board of Directors of the Foundation, Messrs. Li Shih-tseng, Hsu Hsin-loh and Sun Fo, members of the Board, will attend the meeting. The Board of Directors consists of 15 members, including, Dr. Y. T. Tsur, Dr. Hu Shih, Sohtsu King, C. R. Bennet, Roger S. Greene, Dr. V. K. Ting and J. L. Stuart, President of Yenching University, all of whom reside in Peiping. The China Foundation was established in 1925 to administer the remitted American portion of the Chinese Boxer Indemnity. Fan Yuan-lieh, former Minister of Education was made Director of the foundation. Upon Mr. Fan's death Dr. Y. T. Tsur was elected to succeed him with H. C. Zen as secretary-general. Dr. Tsur resigned in 1928 and was succeeded by Mr. Zen, who has continued in this post since then. In addition to the remitted American share of the Boxer Indemnity the Foundation has been entrusted with the administration of the endowment of Tsing Hua University since 1929.

American Experts Continue to Study Silver Question

Professor James H. Rogers, American monetary expert, returned to Shanghai June 19 from a 17-day stay in Japan. Professor Rogers' colleagues now in Shanghai studying the silver problem are Dickson W. Leavens, Robert E. Landman, and Edwin G. Arnold, all of whom are considered experts on monetary problems. Mr. Leavens spent some time in Japan before coming to Shanghai, while Mr. Landman and Mr. Arnold have spent all of their time since they left the United States two and a half months ago studying the silver problem and montary questions as they affect China.

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Do You Remember This?

No doubt you do, for most parents of the last generation believed in the "good old-fashioned remedy"—Castor Oil. What revolting nauseating scenes does it not conjure up? The horrible taste seems to come back years afterwards, just at the mere sight of it.

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Wise parents keep them handy. At all chemists.

In the United States Court for China

In re.	Cause No. 3692
Estate	Estate No. 980
of	NOTICE
EDWARD H. DUNNING	Filed at Shanghai, China,
Deceased	June 6 1934
	William T. Collins, Clerk.

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of EDWARD H. DUNNING, deceased, to present the same with vouchers to the undersigned on or before December 8, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

STIRLING FESSENDEN,
Municipal Building,
Shanghai.

Shanghai, China,
June 6, 1934.

In the United States Court for China

HAROLD CUSTER MacLELLAN	Cause No. 3677
Plaintiff,	Civil No. 1672
vs.	ORDER
EVELYN DORRIS MacLELLAN	Filed at Shanghai, China, June 7, 1934.
Defendant.	WILLIAM T. COLLINS Clerk.
	L. T. Kenake, Asst. clerk.

The object of this suit is an application for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 12th day of May, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 12th day of May, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 12th day of May, 1934, the plaintiff herein filed an affidavit and the effect that the defendant does not reside in China, a that defendant's last known address was 3460 East 7th Street, Los Angeles, California, U.S.A.

NOW, THEREFORE, it is this 7th day of June, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW", a paper of general circulation most likely to reach the defendant.

It IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 30th day of June, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 7th day of June, 1934.

MILTON J. HELMICK
Judge.

French Muncipal Building Being Razed After 71 Years

The French Muncipal building on Rue du Consulat, Shanghai, is being vacated and is shortly to be razed to the ground after 71 years of service. By the Chinese community it is still called the Tah Sze Ming Tsoong (the self-striking clock)—because the clock in the dome originally struck the hours. During the past year the building has had to be supported from all sides to prevent it from collapsing, mainly due to the foundations being weakened by the excavations incidental to the building of a large Chinese bank building on the adjoining plot. The building has undergone many changes since it was originally built. In fact it might almost be said that it was more or less under repair for 69 years,—as the building was found already too small for the purposes intended, after a little over two years of service, and many alterations and additions were found necessary in the intervening years in order to find room for the rapidly growing staff in the various departments, including the police. The French authorities, in common with most other people, of early days, did not by any means visualize the teremendous growth that Shanghai was to enjoy.

Real Estate Review by Realty Investment Co.

The Eastern District, especially since the first of the year, has been showing a constant amount of new building and a large amount of the new construction represents new industrial plants. The large permit for the week is in the Eastern district off Neikiang Road, between Poyang & Liangchow Roads, near the Point. It is for a work shop, dye house, drying room, oil and color room. The Northern district has the next largest permit. On North Soochow and Alabaster Roads, East of Winchester Road, plans are opprove for 7 Chinese shops, 4 Foreign shops and 4 Chinese houses. In this same section off North Chekiang Road and North of Tiendong Road, 12 Chinese houses will be built

In the Western district the following permites have been approved:

On Kiaochow Road, North of Sinza Road, 32 Chinese houses.

Corner of Penang and Tonquin Roads, 9 Chinese shops.

Off the North West corner of Ferry and Robison Roads, 5 Chinese houses.

In the French Concession the Hotel de France on Avenue Edward VII will be reconstructed, having been at a standstill following a fire several months ago.

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The National City Bank of New York, Rates of Exchange

Shanghai, June 20, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 3.03
Demand buying rate on America:	U.S.$100=Sh. $ 3.00
Demand selling rate on London:	£1.0.0=Sh. $15.30
Demand rate buying on London:	£1.0.0=Sh. $15.12

Latest New York Stock Exchange Quotati

Market—Easy

Business Done 850,000 Sh

June 20, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Tu June 18 Jun
12¾	3	—	Adams Express	
33	11½	0.60	Alaska Juneau	9¼
160	70¾	6.00	Allied Chemical & Dye	20⅝
107½	19½	4.00	American Can	141
19⅝	5⅞	—	American & Foreign Power	99
27¼	3½	—	American Metal Company	9⅛
53½	10⅜	—	American Smelting	24
134⅝	86½	9.00	American Tel. & Tel.	43⅜
94⅝	50⅜	5.00	American Tobacco "B"	116⅝
43¼	10⅞	1.00	American Waterworks	76
22⅞	5	—	Anaconda Copper	21
18⅝	5⅞	—	Atlas Corporation	16¼
84½	31	2.00	Auburn Automobiles	27⅝
37⅞	8½	—	Baltimore & Ohio	25⅝
49½	10¾	—	Bethlehem Steel	26¼
37⅝	18	1.60	Borden Company	24¼
28½	5½	0.25	Borg Warner	24¼
20⅞	7½	—	Canadian Pacific Railway	15⅝
103½	30½	—	Case, J. I.	55
47⅞	16⅝	1.40	Chase National Bank	27½
52½	14⅞	2.50	Chesapeake Corporation	48¾
59	7⅝	1.60	Chrysler Corporation	43
28¼	9	0.50	Columbia Gas & Electric	15¼
6⅛	1⅜	—	Commonwealth & Southern	2⅛
64⅛	34¼	3.00	Consolidated Gas of N. Y.	85⅝
22½	4⅞	—	Continental Oil	11¾
9	2⅝	—	Coty Inc.	6⅞
5⅛	1½	—	Curtiss Wright Company	3⅜
102⅝	32¼	*2.00	Du Pont de Nemours	93
96½	46	3.00	Eastman Kodak	100⅜
41⅝	10	—	Electric Bond & Share	17⅛
15⅝	3⅛	—	Electric Power & Light	6½
19	12	—	Fox Film "A"	15¼
10⅜	2⅞	—	General Aviation	4½
30¼	10½	0.40	General Electric	21¾
39⅞	21	1.50	General Foods	32¾
41½	10	*1.00	General Motors	33
49⅛	13¼	1.00	General Railway Signal	34¼
27⅜	12	1.20	Gold Dust	20¼
47⅛	9¼	—	Goodyear Tire & Rubber	30¼
40	6½	—	International Cement	28⅝
46⅛	13⅝	0.60	International Harvester	33¼
29	6⅜	—	International Nickel	27
21¾	5¼	—	International Tel. & Tel.	13⅞
65½	21½	—	Johns Manville	55
26	7⅜	—	Kennecott	22⅜
79⅜	37½	2.40	Lehman Corporation	70⅜
99⅜	40½	*4.00	Liggett & Myers "B"	98½
26½	8½	1.00	Loew's Inc.	32⅜
25¼	10⅜	1.20	Lorillard P. (Com.)	18⅜
35⅝	8⅝	—	Montgomery Ward	28⅞
64⅛	16⅞	1.00	National City Banks (bid price)	28
41⅝	5⅝	—	National Distiller	26⅛
58½	14	—	New York Central	32¼
36½	12¾	8%S	North American	19¼
96¾	31½	2.00	Owens Illionois Glass	Unq.
31⅞	15	1.00	Pacific Gas & Electric	19¼
6⅞	1⅜	—	Packard Motors	4
42½	12¾	0.50	Pennsylvania Railroad	32½
6⅜	1¼	—	Pennroad Corporation	2⅞
20⅝	4⅜	—	Phillips Petroleum	19
12⅛	3	—	Radio Corporation	7⅝
54⅛	26½	3.00	Reynolds Tobacco "B"	46⅛
50⅝	12½	—	Sears Roebuck	45¼
19½	6	1.00	Socony-Vacuum Corporation	17
28	14⅛	2.00	Southern California Edison	16⅛
22½	5½	—	Standard Gas & Electric	12¼
49¾	22⅝	1.00	Standard Oil Co. of N. J.	47¼
60⅞	46	3.80	Sterling Products	61⅜
9	1½	—	Studebaker	4⅝
30¼	10⅜	1.00	Texas Corporation	25⅝
98⅜	25⅜	0.12	Transamerica	7
51⅞	19⅜	1.00	Union Carbide & Carbon	44⅛
132¾	61¼	6.00	UnionPacific	125⅝
46⅞	16½	—	United Aircraft & Trans.	21⅛
14¼	4½	—	United Corporation	6
25	14	1.20	United Gas Improvement	16⅝
25	2⅞	—	U. S. Rubber	17
67½	28⅝	*2.00	U. S. Steel	20¼
51½	21½	—	Universal Leaf Tobacco	42⅜
31⅝	7⅝	—	Vanadium	47¼
9¼	1	—	Warner Bros. Pictures	24
58⅜	19⅜	—	Westinghouse E. & M.	6
54⅞	25⅛	2.40	Woolworth	38¾
			PREFERREDSTOCKS AND BONDS	52
44⅞	7¼	none	American & Foreign Power 7% Pfd.	21¼
59½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	53⅞
80	35	6.00	American Waterworks $6 preferred	Unq.
48	25	5.50	Cities Service Power & Light 5½s/52	47
66	25	6.00	Electric Bond & Share $6 preferred	52¾
73¾	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	70½
65	34	5.00	New England Gas & Electric 5s 1947	54½
92	35	6.00	Standard Gas & Elec. 6% notes 1935	92

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1123 Bubbling Well Road.
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Shanghai News Co.
1133 Bubbling Well Road.
Kelly & Walsh, Ltd.
1185 Bubbling Well Road.
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At a recent conference of newspaper executives in the United States attention was called to the rapid growth and influence of "journals of opinion" which provide a weekly summary of news with constructive editorial criticism and analysis. The same situation prevails in China—note the rapid growth and influence of this type of journal—of which *The Review* was pioneer and still is the acknowledged leader. Order a copy this week from your nearest news-dealer and see for yourself!

The China Weekly Review

ESTABLISHED 1917

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